FINANCIAL TIMES

No. 26,992 Friday June 11 1976 *10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Syria accepts peace plan

As Syria yesterday reluctantly agreed to accept a peace-keeping force from the five Arab League States of Algeria, Libya, Sudan, Saudi Arabia and itself and the Palestine Liberation Organisation, an uneasy cease-fire came into effect in Lebanon.

Libyan and Sudanese troops were in Beirut last night, about 00 Libyans coming by road from Damascus and some 100 Sudanese arriving by air.

Amidst all the uncertainty, Baghdad Radio heightened the tension, announcing that units of the Iraqi Army had moved "to take their positions in the Arab arena in order to perform their national duty."

This was presumed to herald manoeuvres in the direction of the Syrian border. Back Page. Editorial Comment Page 20

Troops return fire in Belfast

Troops yesterday returned the fire of at least three men who had attacked an Army camp in West Belfast's Springfield Road. A small bomb was also thrown into the camp. The gun battle interrupted lessons at a primary school where children crouched on the floor as bullets flew into the playground. A number of people were detained. Irish by-elections and hanging furore, Page 6

Report favours Pop festivals

A report by a Government working group that pop festivals, when properly organised are a reasonable and acceptable form of recreation which can be held without undue disturbance in the areas where they are staged and with little cost to local authorities, received a mixed reception yesterday. A councillor in Windsor, Berks., where the 1974 festival ended in a running battle between police and fans, said the report was out of touch with reality.

Strike threat to Mars landing

Scientists, trying to meet a July 4 deadline for putting a life-seeking capsule, Viking 1, on Mars, made a 500m.-miles-away delayed course correction yesterday only to find themselves faced with a more difficult problem on earth. A threatened strike over a pay dispute among 200 technicians at Viking's California tracking station, may jeopardise the mission.

Role for Powell

Mr. Enoch Powell, United Ulster Unionist MP for Down, South, is among ten MPs so far named as members of the 16-strong Select Committee on Procedure which is to consider the reform of Parliament. Mr. Powell has said that the Committee should attempt to strengthen the role of Parliament against the executive. Page 14

Briefly . . .

Committal hearing of summonses alleging criminal libel brought by Sir James Goldsmith against the magazine Private Eye is to begin at Bow Street on July 29.

Mrs. Shirley Temple Black 48, the former child film star and U.S. ambassador to Ghana, has been nominated chief of protocol.

Reginald Bosanquet, 43, is to return to ITN's News at Ten on Monday after a month's suspension following Press reports publicising his matrimonial troubles.

Barrister Clive Stanbrook, 28-year-old son of Mr. Ivor Stanbrook, Tory MP for Orpington, plans to fly to Angola to help defend the 10 Britons whose trial begins to-day. Page 5

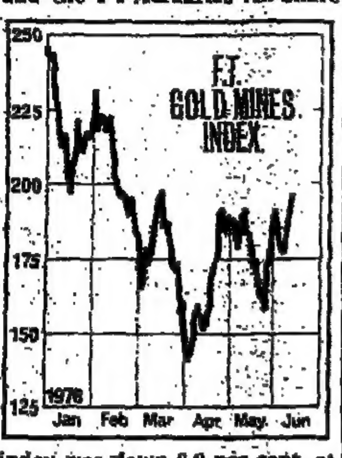
Scientists exploded four 25 lb charges 90 feet below a Clayton, Staffs, field in an attempt to find the source of recent earth tremors.

BUSINESS

Sterling steady; equities lower

● STERLING was unchanged at $1.7710; its weighted depreciation widened to 39.2 (39.1) per cent. The dollar's narrowed to 1.30 (1.38) per cent.

● EQUITIES drifted lower on fund-raising rumours. The FT 30-share index lost 5.0 to 374.2 and the FT-Actuaries All-Share



index was down 0.9 per cent. at 155.41. The Gold Mines Index was an exception, rising 11.2 to 197.0.

● GOLD lost $1½ to $126⅛.

● GILTS were inactive. The Government Securities index was down 0.01 at 62.31.

● WALL STREET closed 6.30 up at 964.39 on general optimism.

● FT COMMODITIES index rose yesterday to 234.53 (231.32), its highest level since March 4, 1974, when it was coming down from the all-time peak of 241.94 recorded a week before. Page 35

North Sea '£4.5bn. boost'

● NEW NORTH SEA oil and gas supplies should be making a positive contribution of £4.58bn. to the U.K. balance of payments in 1980, according to stockbrokers Wood, Mackenzie. The positive benefit this year is expected to be £1.36bn. Back Page

● HAWKER SIDDELEY is to supply a further 16 sets of wings worth £18m. for the A300 European airbus. Page 4

● TRANS ALASKA oil pipeline seems likely to be completed a month early in spite of the disclosure of about 4,000 "problem welds" last month by the U.S. Government. Page 4

● PUBLIC SECTOR Borrowing Requirement estimate for 1975-76 has been revised downward by £220m., suggesting public finances are being run on a tighter rein. Back page

● GLC HAS launched an initiative to take control of British Rail's inner suburban services. Page 8

● BRITISH GAS attacks to-day the coal and electricity industries' view that the U.K. is heading for an energy shortage in the 1990s. Page 8. The power to disconnect non-paying customers should be removed from gas and electricity Boards, recommends an informal Energy Department review body. Page 7

COMPANIES

● PEGLER-HATTERSLEY pre-tax profit for the year to March 27 increased to £14.44m. (£8.53m.). Total dividend is 6.256p (5.507p). The Board says there has been a satisfactory start to the new year. Page 23 and Lex

● 600 GROUP announces a one-for-four rights issue of Ordinary shares at 58p each to raise about £5m. for expansion. Pre-tax profit for the year to March 31 fell to £8.12m. (£10.23m.). Page 23 and Lex

● GUTHRIE CORPORATION pre-tax profit for 1975 fell to £8.09m. (£9.72m.). Chairman expects earnings for 1976 to show improvement over 1975 "and indeed over 1974." Page 23 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3½pc '79-81	£81½	+ ½
Airflow Streamlines	31½	+ 4½
Barlow Rand	200	+ 7
BH Prop.	805	+ 10
Cartwright (R.)	38	+ 3
Development Secs.	295	+ 10
Howard & Wyndham	14	+ 2½
Ocean Wilsons	124	+ 5
Pegler-Hattersley	160	+ 8
Philips' Lamp	933	+ 33
Royal Dutch	£38¼	+ 1½
Anglo American	320	+ 15
De Beers Dfd.	239	+ 11
Doornfontein	510	+ 60
Kloof Gold	565	+ 40
Southvaal	645	+ 45
Sungei Besi	42	+ 7
Tronoh	102	+ 7
West Drie.	£27	+ 1½

FALLS

Treasury 12pc 1983	£101	− ½
Berisford (S. and W.)	157	− 4
Brit. Home Stores	346	− 7
Cohen (A.)	110	− 10
Cohen 600 Group	67	− 6½
Hambros Bank	170	− 7
Keyser Ullmann	31	− 4
Linfood	185	− 5
Metal Box	264	− 5
Midland Bank	257	− 8
Ozalid	115	− 4
Reed Intnl.	255	− 9
Reyrolle Parsons	110	− 4
Simon Eng.	113	− 4
Smith (W. H.) "A"	344	− 6
Tate and Lyle	251	− 5
Tube Invs.	332	− 6
Turner and Newall	135	− 5
Unilever	458	− 10
Siebens U.K.	150	− 20
Guthrie	170	− 18

OECD forecasts 8% inflation rate for rest of decade

BY REGINALD DALE, EUROPEAN EDITOR

Inflation in the major Western industrialised countries is likely to run at an average annual rate of 7 to 8 per cent. during the second half of the decade, according to predictions by the Paris-based Organisation for Economic Co-operation and Development.

But the OECD remains seriously concerned that the rate could be much higher if Governments allow the world-wide economic recovery to get out of control.

Economic policy experts began the first of a series of meetings in Paris yesterday leading up to the seven-nation Puerto Rico summit at the end of this month, at which the leading Western nations will discuss how to achieve sustained economic growth over the coming years without provoking more inflation.

OECD sources say the 24-member governments are widely agreed that a great deal of caution will be required if growth is to be "durable" in the second half of the 1970s.

But in preparations for the next OECD Ministerial meeting in Paris on June 21, the organisation's experts are also stressing that it will be difficult to eradicate inflation so long as the economies of the Western industrialised countries continue seriously to diverge.

Forecasts prepared for the Ministerial meeting suggest a continuing spread between the growth rates of the seven major countries—the U.S., Canada, Japan, Germany, France, Britain and Italy—in the period under review. Average annual growth rates predicted for 1975 to 1980 range from 7.5 per cent. for Japan to just over 3 per cent. for the U.K., with the overall OECD average at 5 to 5.5 per cent.

Britain's inflation rate over the same period is estimated at an annual 10 to 12 per cent. But with the exceptionally high years of 1975 and 1976 included in the calculation, this should mean that the British rate will move down much nearer the general OECD average in the years ahead.

The forecasts say that unemployment may still be high in a number of member countries in 1980 and warn against trying to return to full employment too quickly. One of the main reasons for controlled moderated expansion is simply that nobody knows the current extent of unused capacity, the point at which bottlenecks will occur or the best rate of demand increase for reducing unemployment in the OECD view.

World trade

Nevertheless, the OECD believes that growth rates of 5 per cent. to 5.5 per cent. in the coming five years, combined with an 8 per cent. to 9 per cent. increase in world trade, could lead to a reduction of inflation, provided Governments pursue the correct domestic policies. This would involve careful demand management aimed at progressively reducing the share of consumer demand in favour of investment and exports.

Company profits should be allowed to increase, though not too fast, and there should be further efforts to reach three-sided agreements between Governments, unions and employers on overall economic strategy.

Meanwhile, the OECD believes that overall industrial output in the 24 member countries has now made up for the ground lost since the last months of 1973. In the first six months of this year, Gross National Product has been rising at an annual rate of 6 per cent. in real terms and is likely to rise by around 5 per cent. in the coming 12 months, with world trade expanding by about 8 per cent.

Total unemployment in the industrialised countries is now down to around 5 per cent. of the active population, after last October's peak of 5.5 per cent., and could be down to 4.5 per cent. by the middle of next year, the OECD believes.

The rate of inflation for the 24 countries is running at an annual 7 per cent., half the record rate reached in the second half of 1974.

The recent upsurge in prices

Continued on Back Page

Reagan, Ford face threat of switch to Democrats

BY JUREK MARTIN, U.S. EDITOR — WASHINGTON, June 10.

THE BITTER fight between President Ford and Ronald Reagan for the Republican Party's Presidential nomination could persuade supporters of whoever loses to defect and vote for the Democrats.

Growing evidence that this is the case has been supported by a New York Times-CBS Television public opinion poll conducted in Tuesday's primary states of California, Ohio and New Jersey. It found that about 35 per cent. of both Ford and Reagan supporters preferred Mr. Jimmy Carter, the Democrat's nominee presumptive, if their own favourite does not win the Republican nomination.

Desertion of the party ticket is well established in American politics. In 1972, for example, a third of all registered Democrats were unable to stomach Senator McGovern and voted for President Nixon. This bore out the conclusions of a similar poll conducted after the Californian primary four years ago when 40 per cent. of supporters of Senator Hubert Humphrey, who had just been beaten by Senator McGovern, indicated they would vote for Mr. Nixon

The most recent New York Times-CBS poll suggests that Mr. Carter is winning back two-thirds of those defections, as well as retaining the allegiance of three-quarters of those who in the end supported Senator McGovern.

Democrats appear to be swallowing whole whatever misgivings they have felt about Mr. Carter, who, in turn, is displaying the nicest of diplomatic touches in mending any intra-party broken bones. It is probable that his most conclusive gesture in this regard will be his choice of running mate, which will be designed to balance the ticket.

Front-runners include Senator Adlai Stevenson from Illinois, Senator John Glenn from Ohio and Senator Walter Mondale from Minnesota, all of whom offer administrative experience and a northern industrial power base. Senator Frank Church and Senator enry Jackson, both failed candidates, would offer a geographic balance and have hinted at their availability. The Carter short-list is believed to contain about a dozen names and it is possible he will prefer to make his selection from outside the Washington political establishment.

The only democrat still fighting Mr. Carter is California's Governor Jerry Brown, who has been spectacularly successful in the late primaries. But, facing reality, Mr. Brown has cancelled a planned nationwide hunt for uncommitted delegates. He may accept what now appears to be inevitable sometime in the next few days.

Another group of former opponents of Mr. Carter have added their endorsements to those he has received since his victory in Ohio gave him what looks like an unchallengeable grip on the party's nomination. They include Governor Milton Shapp, who released his 19 delegates, Sen. Robert Byrd who released his 31 delegates, four Senators from Kentucky and Mississippi and the Mayor of Washington D.C. Mr. Carter was also endorsed by Mayor Frank Rizzo of Philadelphia, whose support Mr. Carter said he was "proud not to have" during the Pennsylvania primary.

Republican wounds are as open as ever: it would be unwise to underestimate the divisiveness caused by the last few days of campaigning before Tuesday's primaries.

There are 238 Republican delegates still to be chosen and both Mr. Ford and Mr. Reagan will be scrambling for every one of them.

Leyland £30m. plan for Albion

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND is planning to continue the wide-ranging reorganisation of its Scottish truck manufacturing interests, already set in motion, with an investment of up to £30m. aimed at turning its Albion truck plant in Glasgow over to transmission production.

The company has announced two shares of investment in Scotland amounting to £20m., since the beginning of this year.

Three-quarters of this is at present being spent on expanding engine and truck assembly capacity at Bathgate, Leyland's newest truck plant about 30 miles from Glasgow.

The next step in the Truck and Bus Group's plan, however, is more ambitious, designed to phase-out truck assembly at Albion, which makes similar vehicles to those produced at Bathgate, and re-equip Albion to turn out light and medium weight gearboxes and axles. The plant will also be equipped with a chassis line.

Management from the Truck and Bus Group have already had preliminary meetings with the unions under the new Leyland consultative arrangements to discuss the plans, which would almost certainly mean a modest expansion in Albion's 3,000 work-force.

This new set of proposals though still at a preliminary stage, indicates the speed with which the Truck and Bus Group is pressing ahead with its rationalisation programme, despite the continuing freeze on investment within BL's Car Group.

A range of new products is now on the stocks designed to give Leyland a re-vamped line-up for its long-delayed attack on Continental markets.

The plan to convert Albion, one of Leyland's oldest plants—it was built in the late 19th-century—confirms that the company is determined to increase its ability to manufacture important components for itself. Leyland has already decided to switch over its Guy factory at Wolverhampton from truck to component production.

Industry confident of export upsurge

BY ADRIAN HAMILTON

BRITISH industry is growing increasingly confident of a substantial rise in the value and volume of its exports this year, according to the Department of Trade's latest survey of short-term export prospects published to-day.

The survey, based on returns from 62 of the country's leading exporters, suggests that the export-oriented side of industry at least is looking for a growth of about 11 per cent. in its foreign trade this year, compared with 1975.

With export prices also predicted to rise rapidly at an annual rate of some 15 per cent. through the rest of the year, the value of their export trade is expected to rise by as much as 25-35 per cent. over 1976 as compared to 1975.

The quarterly survey, only begun last year on an experimental one-year basis, was taken in the Easter period and does not provide any real reflection of companies' response to the more recent movements in sterling.

Revised

Nor does it give much indication of the pricing policies followed by companies during a period of devaluation. However, it reinforces the growing evidence of a rapid growth in British export orders and trade evident since the latter part of last year.

Compared to the previous survey carried out at the beginning of the year, the companies questioned have now substantially revised upwards their expectations of both the volume and value of export trade in the second to third quarters of the year and clearly expect the growth to continue through the fourth.

Where in the last survey, for example, companies were looking for a 5 per cent. growth in export volume in the second quarter and an 8.5 per cent. growth in the third quarter compared with a year earlier, the latest survey sees them predicting nearly double the volume rise at 10 and 15 per cent. respectively.

Because of the falling value of the pound, companies have raised by 4 per cent. their expectations of the increase in export prices during the third quarter, although there was less difference in price expectations during the second quarter, implying that companies were looking for a lag of several months before the impact of devaluation was felt.

By concentrating on the export-orientated companies and on short-term prospects, the survey is only a limited grade.

Tories force new delay on shipbuilding

BY RICHARD EVANS, LOBBY EDITOR

THE HARRYING tactics launched by the Conservatives against all controversial Government Bills have forced Ministers to halt progress on the Aircraft and Shipbuilding Industries Bill for at least two more weeks.

The Cabinet agreed yesterday that the continuation of Opposition guerilla tactics, despite the rejection of their censure motion on Wednesday, made it unsafe to bring the measure forward until after the Rotherham by-election on June 24.

At present the Government, provided it continues to receive the support of two independent Northern Ireland MPs, has the same number of votes as all opposition parties combined but after the by-election at Rotherham, a safe Labour seat, the Government will be in a marginally better position to win key divisions on controversial Bills.

There are also signs that the by-election at Thurrock, another safe Labour seat, is being brought forward to give the Government an added advantage.

But for the next two weeks Commons business will be non-controversial, to the delight of the Tories, who have already managed to play havoc with the Government's legislative programme.

Mr. Michael Cocks, Government Chief Whip, told Labour MPs last night that three and a half days business had already been lost and would have to be made up, either by increasing the heavy Parliamentary work-load or by sitting well into August.

Vulnerable

A further report on the legislative programme is to be given to the Parliamentary Labour Party next week.

Mr. James Callaghan, the Prime Minister, asked in a written Commons question yesterday whether he was satisfied with the progress in implementing policies contained in the Queen's Speech, replied that progress had been generally satisfactory "and it remains the Government's firm resolve to remove all restrictions in the way of the fulfilment of our policies."

Conservative leaders are becoming increasingly convinced that the Government will be forced to drop at least one contentious Bill this session.

The major target will continue to be shipbuilding nationalisation which is more vulnerable than the Education Bill, pay beds legislation or the Dock Work Regulation Bill, because of the unified opposition of all minority parties.

The procedural order referring the shipbuilding Bill to a Select Committee, tabled on Wednesday by Mr. Robin Maxwell-Hyslop, Tory MP for Tiverton, has now received the support of the Shadow Cabinet.

This means that the Speaker will almost certainly choose it for debate when the Bill comes forward for its report stage. For this reason, Mr. Michael Foot, Leader of the Commons, is expected to delay progress until Labour has its majority of one.

Despite claims that both sides were willing to discuss a restoration of normal relations, the situation seemed as rigid as ever last night.

The Prime Minister and Mrs. Margaret Thatcher, the Opposition leader, both let it be known that they saw no reason for making the first move to end the row over the disputed vote which saved the shipbuilding Bill two weeks ago.

The Thatcher camp still believes that the Government won that vote through breaking a pair, but this is not accepted by Mr. Callaghan, who has offered peace talks but made no specific proposals.

The only offer acceptable to the Tories in their present mood would be the dropping of the shipbuilding Bill or acceptance by the Government that the Bill was hybrid. This would have the effect of losing it for the current session.

Mr. Callaghan's hope that the Tory attitude might mellow within a matters of days seemed over-optimistic yesterday. The havoc caused to the legislative programme has given Conservative leaders a much needed boost after the setback of the censure vote.

Last night the Tory back bench 1922 Committee gave its full and enthusiastic backing to the shadow Cabinet's tactics of non-co-operation with the Government.

● Mr. Enoch Powell last night condemned the Opposition for not putting forward specific policies which could provide an alternative Government. On BBC 2's Newsday he said: "A party which is not prepared to do that has no ground whatsoever for criticising the Government. I believe that the Government's economic policy is disastrously dangerous in the size of the amount which they set out year by year to borrow."

Parliament Page 14

£ in New York

—	June 10	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

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LOMBARD

The 'red herring' path to salvation

BY C. GORDON TETHER

"IMPORT controls are a red herring and a dangerous red herring at that, and they would also involve an erosion of my fundamental liberty as an Englishman." So said Mr. Peter Jay, Economics Editor of the Times, in the course of presenting the housewifely audience of the Jimmy Young programme with his version of the facts of British economic life late last week.

There is, needless to say, nothing red herringish about the idea of bringing our imports down to a level we can afford in order to provide ourselves with sufficient room for maneouvre on the balance of payments front to start building an economy able to cope with unfettered spending abroad. Unlike the remedies advocated by those who so excitedly denounce it, this is a course of action that has not been properly tried. And it has not, therefore, become discredited in the way that all these alternatives have been by now in one way or another.

As for courting danger, we are much more likely to find ourselves doing that by continuing to eschew import restrictions than by embracing them. And, in saying this, I am not overlooking the fact that we have just been granted a $5bn. foreign credit package to shore up the £.

Widening

The point is that this is essentially a short-term support operation. It will be instrumental, therefore, in extricating the country from its present impasse only if our basic balance of payments situation improves at such speed that, by the time the money is due to be withdrawn, sterling can be counted upon to hold its ground without such assistance. And the sombre truth is that—in the absence of new corrective measures—the more immediate effect of the heavy devaluation the £ has suffered during the past few months will probably be to set the exports-imports gap widening again.

The reason for this is that—as the publicity given to the new difficulties that exchange rate exchanges have created for the British Chrysler subsidiary has brought out—devaluation can greatly reduce the foreign exchange return from exports without producing any comparable saving on the import side. The hope is that, in the longer run, the setback the country suffers on this account will be more than cancelled out by the increase in the quantity of exports sold that should be prompted by the fall in their foreign currency prices. But it will necessarily take time to work up additional traffic of this order—especially in a world trading context that, though better than it was, is still far from buoyant.

The marking up of the prices of foreign products in the wake of the fall in the £ should itself, of course, operate as an import deterrent of substance. But British import trade has not shown itself to be all that responsive to the devaluation factor in the past—partly because of the readiness of many foreign suppliers to at least partly absorb the cost themselves in order to presreve their British markets.

It could well turn out, therefore, that only positive steps to curb import spending can avert the prolongation of the British agony we shall have to reckon with if the international credit package runs out with the basic payments position still looking highly vulnerable.

There should be no difficulty in justifying such a course of action to our trading partners. Frequent recourse to devaluation to secure balance of payments relief can be just as effective in restricting imports as the use of quantitative controls and it tends to last much longer. Moreover, as the outside world has tacitly recognised by putting a huge credit at the disposal of the British authorities without strings, the difficulties Britain is experiencing in getting its economy onto an even keel are now being greatly exacerbated by international monetary turbulence over which it has no control.

Not different

As for eroding the fundamental liberty of an Englishman, every step that limits the freedom of the individual to spend the money at his disposal where and on what he pleases does that. A policy measure that puts certain types of foreign goods beyond his reach for a while is not essentially different in principle from any other form of restraint, whether applied by fiscal or other means.

Moreover, the cause which it will be serving is—even when measured in these terms—a good one. For the effect of indulging those wanting to spend money abroad to the point of putting the country's entire economic structure in dire peril is to endanger a lot of other freedoms that may well be considered more fundamental still. There is, to begin with, freedom from being continually exposed to the heavy erosion of one's income at the hands of the backwash of unjustified falls in the value of the £. Above all, there is freedom from exposure to the increased unemployment that is likely to arise from such continued impoverishment of the nation.

RACING — BY DOMINIC WIGAN

Nelson bids for Sandown double

FEW TRAINERS have made a brighter start to their careers than John Nelson, and I feel hopeful that the young Lambourn trainer will continue his good run at Sandown to-day through *Hill Station* and *Light Laughter*.

Hill Station, who runs in the day's feature event, the Hwfa Williams Handicap, appears to be the better bet of the pair.

Major Victor McCalmont's Sheshoon, four-year-old, who was never out of the first three in his seven races last season, showed that he was returning to something near his best when chasing home Iver, to whom he was trying to concede 7 lb, at Folkestone a month ago.

Carrying only eight stone, and with Regal Rocket and Baildor both absentees, Richard Fox's mount appeals as a sound bet. I expect to see him followed home by that versatile six-year-old *Super Trojan*, a winner twice already over this 1¼ miles.

Light Laughter, one of the most improved three-year-olds last season, makes her season's debut in the Teddington Handicap. Although *Wanlockhead*, trained by Duncan Sasse, and one of the favourites for next week's Royal Hunt Cup, may just have the edge in fitness over *Light Laughter*, I believe that conceding 13 lb to the progressive Lambourn filly will prove too much for him.

At to-day's other meeting, York, where the presence of Lester Piggott will help to boost the attendance, many people are sure to take a close interest in the newcomer *Millionaire* among the runners for the Guy Fawkes Stakes.

This brown colt by Mill Reef out of State Pension, the dam of State Occasion, has been going well on the Seven Barrows gallops, and it seems probable that he will be made favourite, despite the lack of a previous run.

I hope to see him prove to be another fast son of Mill Reef by outpacing the once-raced *Gio*, who looked likely to win soon when finishing fifth behind *Daring Dan* (who is again in opposition) at Haydock a fortnight ago.

SANDOWN

2.00—French Reverse
2.35—Realm Tree
3.05—Hill Station**
3.35—Blue With Cold
4.05—Pasculete
4.45—Light Laughter

YORK

2.15—Miss Pert
2.45—Chas. Sawyer*
3.15—Millionaire***
3.45—Maximova
4.15—Track Minstrel
4.45—Lazenby

SALEROOM — BY ANTONY THORNCROFT

Record £12,000 for photos

THE EXTRAORDINARY interest in Victorian photographs was well illustrated at Christie's South Kensington saleroom yesterday, when the Phoenix Gallery of San Francisco paid £12,000 for Life and Landscape on the Norfolk Broads, a book containing 40 platinum prints by the highly esteemed photographer, Peter Henry Emerson.

Two hundred copies of the book were published in 1886, each with the same individually mounted prints. The price was an auction record for a series of photographs in a book and far exceeded the estimate of £4,000-£6,000.

Almost as impressive was the £2,500 paid for Street Incidents, a collection of 21 photographs, published in 1881. This was a record price for the work.

The auction made an impressive total of £39,224. Surprisingly, the much publicised photographs of an 1857 cricket match by Roger Fenton failed to sell, but an American collector paid £2,500 for an album of 50 views of Rome by Robert Macpherson in about 1860 and there were prices of up to £480 for individual prints by Frank Meadow Sutcliffe.

Sotheby's held the first part of a two-day auction of modern French, German and Russian illustrated books and literature, which went very much as predicted. The sale totalled £25,421. The top price was the £2,750, within forecast, for a very rare copy of Blaise Cendrar's La Prose du Transsiberian. . . with illustrations by Sonia Delaunay, Paris, 1913 while a volume with 108 lithographs by Pierre Bonnard sold for £2,600.

In the Sotheby's silver sale, which realised £31,177, a George IV oval soup tureen and cover fetched £1,550 and a tea and coffee service made by Atkin Brothers of Sheffield in 1926-27 was bought for £1,000.

Glendining completed a two-day coin sale yesterday for a grand total of £85,550. Among the outstanding prices were the £2,100 from Hearn for an Elizabeth I crown of 1601: £3,300 for a Philip IV of Spain 50-reales, minted in Segovia in 1633, and bought by Batista; and £2,900 from Spinks for a George I miniature gold piece.

The famous violin family of the Hills, founded in the 17th-century and still going strong, dominated Phillip's sale of musical instruments, which totalled £41,062, with only three lots unsold. The highest price was the £3,000 paid for a cello made by Joseph Hill in 1768: it was bought by the present Hills operation.

A violin by William Ebsworth Hill in 1850 went to Bickford for £700 and a copy of a Stradivarius, produced by W. E. Hill and Sons in 1908, was sold to Nelson for £2,800. A gold mounted bow by James Tubbs went to Therese for £1,350.

At Bonham's furniture totalled £13,938, while pictures added a further £14,852, an oil by Florent Willems of The Artists Studio making £1,100. At Spencers of Retford porcelain sold for £11,452.

Christie's held its first evening auction of rugs and carpets last night and in a packed saleroom realised £132,735.

The top price as the £26,000 for a Isfahan "Polonaise" silk carpet of the early 17th century, but more surprising was the £18,500 paid for a Kirman pictorial carpet reputedly woven for the Russian royal court: Fahimian bought it for over three times the forecast.

George Brown 'coalition now'

THERE was no basic industrial or economic weakness in Britain which firm political leadership could not overcome, Lord George-Brown said yesterday at a luncheon given by Tozer Kemsley and Millbourn (Hldgs.). "We still exaggerate many of our so-called problems and underplay our successes. This I find especially galling in the field of our international trade.

"If ever there were a time for some form of coalition Government it is now."

APPOINTMENTS

Changes at Rolls-Royce

ROLLS-ROYCE MOTORS HOLDINGS has made the following changes in the Car Division Board as from June 14: Mr. T. P. Barlow, director of Rolls-Royce Motors Holdings has been appointed chairman of the Car Division Board, he is also chairman of the Mulliner Park Ward Division. Mr. R. G. Fenn becomes managing director of the Car Division to succeed Mr. Barlow. Mr. Fenn was formerly a director of the Division and was the general manager. Mr. I. D. Nelson, director of production resources of the Car Division will take the additional responsibility as director of special projects for the division.

★

Mr. Tom Wearden has been appointed commercial director of LEE GREEN PRECISION INDUSTRIES, a member of the Unitech Group. For the last five years he has been chief executive of Metals Research (Crystals).

★

Mr. L. T. P. Banbury has retired as secretary of DOWTY GROUP, but remains on the Board as a non-executive director.

★

Mr. L. S. Pritchard has been appointed to the Board of LANCASTER CARPETS as design and marketing director. He joined the company over four years ago as chief stylist.

★

Mr. Samuel Tughan, vice-president of G. H. WOOD AND CO., has been appointed president. He succeeds Mr. G. H. Wood who now becomes chairman.

★

Mr. H. Eastwood, deputy chairman of C. E. HEATH GROUP will be retiring from the Board on July 7. He will be succeeded by Mr. J. R. Mikami. Mr. Eastwood is also resigning from the Board of C. E. Heath and Co. (Underwriting) and from July 1 is succeeded as managing director by Mr. D. J. Barham.

★

Mr. Ian D. Simpson, secretary at WCB CONTAINERS, is to be financial director from July 1.

★

Mr. Martin S. H. Mitchell has been appointed chief accountant, administration in the finance division of the BRITISH GAS CORPORATION. He replaces Mr. D. G. Wells, who has become chief investment accountant.

★

Mr. John Martin has retired from the Board of HOLST AND CO. and other Norwest Holst Group companies, but continues as a part-time consultant.

★

Mr. G. H. Crawford has been appointed a director of BRITISH REINFORCED CONCRETE COMPANY.

★

Mr. Leonard C. Mather, chairman of United Dominions Trust, has been appointed chairman of INTERNATIONAL COMMODITIES CLEARING HOUSE.

★

Mr. G. A. Cooke has been appointed group managing director of C. T. BOWRING. Mr. K. Batchelor and Mr. W. N. M. Lawrence have been appointed directors. Mr. E. R. H. Bowring continues as chairman and Mr. P. Bowring as deputy chairman. Mr. T. G. Stevenson has become chief executive of BOWMAKER, a Bowring subsidiary, in succession to Mr. Cooke, who remains a director and deputy chairman.

★

WITCO CHEMICAL has made a number of new appointments. Reporting directly to Mr. J. M. Brown, the U.K. operation will be as follows: Mr. G. Kay, production director; Mr. F. J. Karsten, commercial director; Mr. A. A. Dooley, marketing manager; Mr. N. Thornton, group technical manager; Mr. R. A. Larrett, financial controller; and Mr. P. F. Ticher, personnel manager.

In addition, Mr. M. Grint has been appointed sales manager for Witco U.K. with Mr. R. A. Wolf responsible for export sales. Mr. E. A. Smith has been made sales administration manager. Mr. D. Nicol becomes production manager, Cyclo Products, Mr. R. Harris, product manager, Resin Division and Mr. R. Webster, product manager, Sonneborn division. Mr. M. Wall is now technical manager Latex PVA and Stearates and Mr. A. L. L. Hunting, technical manager Cyclo Products. Mr. E. E. Vessey is appointed general manager, Dronfield, responsible at that site for R. D. Nicol operations and Stearate production.

★

Following the appointment of Mr. A. E. Elphick as manager, product sales division, of the international sales and marketing department of BP CHEMICALS, the following appointments have been made within the product sales division:

Mr. J. C. Browning, manager, chemicals sales; Mr. C. W. Steg, sales manager, base chemicals; Mr. D. F. McCulloch, sales manager, acetyles and phthalic anhydride; Mr. G. D. Soane, sales manager, solvents; Mr. P. M. V. Crawley, manager, plastics sales; Mr. R. Wurr, sales manager, PVC and plasticisers; Mr. G. D. Steg, sales manager, polyesters and thermoplastics; Mr. J. D. Dixon, sales manager, resins; and Mr. M. J. Longley, sales manager, rubbers and latices.

★

Mr. J. S. Glanvill is to be chairman of GLANVILL ENTHOVEN, part of the Challenge house Group. He succeeds Mr. G. R. S. Allardyce who retires as chairman and director on September 30. Mr. F. M. Hogwood has been appointed deputy chairman.

★

Mr. J. R. Wrangham will become group treasurer of COURTAULDS on the retirement of Mr. A. W. Gadsden in September.

★

W. A. BAXTER AND SONS has created two operational divisions. Baxters of Speyside Division will be responsible for canned and bottled foods with Mr. Robert Smith, Mr. John C. Mitchell, Mr. A. David Clark, Mr. William Henderson and Mr. Robin Steel as divisional directors. Baxters Scottish Game, the other division, will cover game products. Mr. Donald A. Young, at present general manager of that business, has been appointed a director.

★

Mr. M. G. West has joined LONDON SCOTTISH FINANCE CORPORATION as financial director and company secretary.

★

Mr. H. Eastwood, deputy chairman, will be retiring from the Board of C. E. HEATH GROUP on July 7. He will be succeeded as deputy chairman by Mr. J. Mikami. Mr. Eastwood is also resigning from the Board of C. E. Heath and Co. (Underwriting) and from July 1 is succeeded as managing director of that company by Mr. D. J. Barham.

★

Mr. G. William Barlow has been appointed a non-executive director of ROYAL WORCESTER. Mr. Barlow has been chairman and chiefe executive of Ransome Hoffmann Pollard since 1970, and is a director of Glynwed and Vickers Oil.

ENTERTAINMENT GUIDE

OPERA AND BALLET

THEATRES

KING'S ROAD THEATRE. 352-7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR "Impossible to overpraise it." Punch.

TALK OF THE TOWN. 01-734 5051. From 8.15 Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. TONY MONOPOLY

CINEMAS

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 10.45 You and Me. 11.30 For Schools, Colleges. 1.15 p.m. News. 1.30 Along the Trail. 2.02 For Schools, Colleges. 3.25 Pobol y Cwm. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dastardly and Muttley in their flying machines. 4.35 Jackanory. 4.50 Screen Test. 5.15 It's My Belief. 5.40 The Wombles.
5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.05 Tom and Jerry.
7.15 "The Invisible Man," starring David McCallum.
8.00 It's a Knockout.
9.00 News.
9.25 Starsky and Hutch.
10.15 To-night Special: The Pay Deal.
11.00 A Throne of Kings.
11.30 Weather/Regional News.
11.32 Come Dancing.
†12.17 a.m. The Friday Film: "Two-Letter Alibi."

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. O Dan Y Mor. 6.00-7.05 Wales To-day. 7.05-7.30 Heddiw. 7.30-8.00 To-morrow's World. 10.15-10.45 Kane On Friday. 10.45-11.20 Vibes. 11.20-11.30 It's A Small World. 11.30-11.32 News for Wales.

Scotland—6.00-7.05 p.m. Reporting Scotland. 7.05-7.30 The Food Programme. 7.30-8.30 It's A Knockout. 8.30-9.00 Current Account. 11.00-11.30 This Castle Hath a Pleasant Seat. 11.30-11.32 News for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 11.00-11.30 Music Room. 11.30-11.32 News for Northern Ireland.

England—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 11.00-11.30 North (from Leeds) Week-end Out; North West (from Manchester) Champion Brass; North East (from Newcastle) A Likely Story; Midlands (from Birmingham) Midland Big Band Special; West (from Bristol) Life Story; South West (from Plymouth) Peninsula; South (from Southampton) Friday Looking Sideways; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Mr. Smith's Flower Garden.
7.29 Weather.
7.30 Newsday.
7.50 Top Crown.
8.15 The Money Programme.
9.00 Pot Black.
9.25 Constable Observed.
10.15 The Man Who Meant Well.
11.10 Newsnight.
11.25 Sybil Thorndike.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Hickory House. 12.30 Those Wonderful TV Times. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Racing from Sandown Park. 4.20 Soldier and Me. 4.50 All Together Now. 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day—The London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 General Hospital.
8.30 The Fosters.
9.00 The Fortune Hunters.
10.00 News.
10.30 Police Five.
10.40 Wheeltappers and Shunters Social Club.
11.30 Shannon's Mob.
12.30 a.m. Frankincense and Myrrh.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 6.00 About Anglia. 10.30 Probe Special. 11.00 Mystery Movie: Madigan. 12.20 a.m. Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Hogan's Heroes. 6.00 ATV Today. 7.00 Winner Takes All. †10.30 The Tough Guy Movie: "Sweet Smell of Success," starring Burt Lancaster.

BORDER

†1.20 p.m. Border News. 6.00 Border News and Lookaround. 7.00 Winner Takes All. 10.30 The Late Film: Any Premiss. †12.20 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 6.00 Report At Six. 7.00 Winner Takes All. 10.30 Here Comes The Future. 10.50 A Fast Drive in the Country—Le Mans. 11.45 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 6.00 Grampian Today. 7.00 Winner Takes All. 10.30 Points North. 11.30 Shaft, followed by Road Report. 12.40 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.30 The Protectors. 7.00 Winner Takes All. †10.30 The Oscar Winners: "Who's Afraid of Virginia Woolf?" starring Elizabeth Taylor and Richard Burton.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 The Adventurer. 7.00 Mr. and Mrs. 10.30 Orson Welles Great Mysteries. 11.00 A Fast Drive in the Country. 12.00 The Protectors.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Stesion Cantamil. 6.01-6.15 Y Dydd. 10.30-11.00 Outlook.

HTV West — As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Pipet and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Protectors. 7.00 Winner Takes All. 10.30 Ways and Means. 11.00 Late Call. †11.05 Late Night Thriller: "Eyewitness." starring Donald Sinden.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.20 Wild Wife. 5.25 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 56 and 60). 6.00 Scene South East. (Channels 10, 43, 64 and 66 only). 7.00 Winner Takes All. 10.30 A Southern Report. 11.00 "Pursuit" (TV Movie). 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 12.30 p.m. Out of Town. 1.20 Lunchtime News and Lookaround. 5.20 Winner Takes All. 6.00 Today At Six. 7.00 Those Wonderful TV Times. 10.30 Sportstime. 11.05 The Friday Night Film: "Taste the Blood of Dracula." 12.40 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Winner Takes All. 10.30 What's It All About. †11.00 Friday Film: "The Alphabet Murders," starring Robert Morley.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary and Sports Desk. 7.00 Winner Takes All. 10.32 Westward Late News. 10.35 Late With Danton. 10.50 A Fast Drive in the Country—Le Mans. 11.45 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 The Beachcombers. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Winner Takes All. †10.30 The Oscar Winners: "Who's Afraid of Virginia Woolf?" starring Elizabeth Taylor and Richard Burton.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin; 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Ray Moore (S) including 1.02 p.m. Sports Desk. 1.50 Sports Desk. 1.55 Good Listening (VHF). 2.02 Ed Stewart (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 Sam Costa (S) including 5.45 Sports Desk 6.45 Sports Desk. 7.02 Funny You Should Ask. 7.30 Sports Desk. 7.33 Play It Again (S). 8.02 Frank Chacksfield conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.06 Time For Old Time in the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1,500m. only, also 202m. Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: Chabrier and Duparc (S). 9.45 Northern Concert Orchestra (S). 10.30 Bach and Handel violin and piano recital (S). 11.20 In Short. . . . 11.25 Tippett's String quartets (S). 12.00 Concert from Carlisle, part 1: Mozart, Bruch (S). 1.00 p.m. News. 1.05 Playbill (S). 1.20 Concert from Carlisle, part 2: Beethoven (S). 2.00 Music In Our Time (S). 3.00 From the 1975 Bratislava Festival (S). 3.40 Reginald Kell, clarinet recital. 4.30 Youth Orchestras of the World (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Composers' String Quartet, part 1: Stravinsky, Carter (S). 8.00 Interval Reading. 8.05 Composers' String Quartet, part 2: Mozart. 8.30 Aldeburgh Festival concert, part 1: Haydn, Britten (S). 9.20 Rendezvous With Angels. 9.40 Aldeburgh Festival concert, part 2: Mozart (S). 10.25 Paradise Regain'd by John Milton, part 2. 11.00 Purcell harpsichord recital (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 VHF Regional News; 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 The Treasure of the Himalayas. ‡11.50 Secrets of the Deep. 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. ‡12.55 Weather, programme news; VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report; VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Brain of Britain 1976. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. . . . 11.40 News.

For Schools (VHF only)—10.00 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Richard Vaughan with Home Run including 5.00 and 6.00 London News Desk. 6.10 Carry On Councillor. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Platform. 10.03 Single File. 12.00-12.05 a.m. As Radio 2 until closedown.

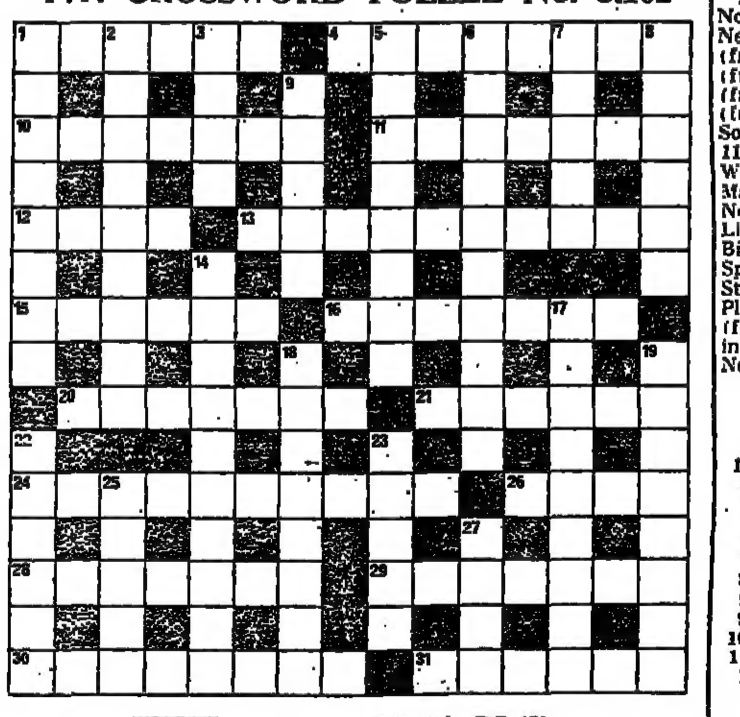
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Night watch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,102



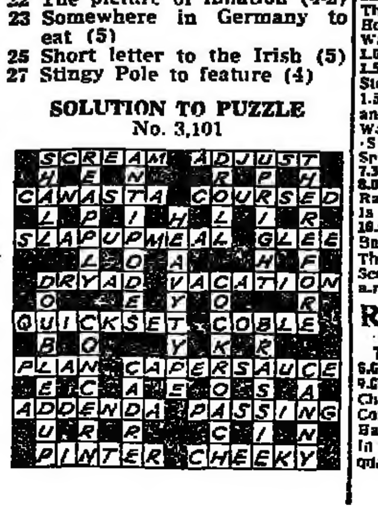
ACROSS

1 Wine suits the college to a T (6)
4 A poor rate to give one who who deals in stocks (8)
10 Mad affair in the Shell (3-4)
11 Not the gear for those who want to get moving (7)
12 The Spanish doctor is really a saint (4)
13 The ins and outs of gambling (3, 3, 4)
15 He's after the bird for levies (6)
16 City once upset about the record (7)
20 "Be ——, in season, out of season" (NT) (7)
21 Test paper in literature and music (6)
24 Classical exercise for foreign experts, we hear (5, 5)
26 Ancient performer of hot music? (4)
28 Anxious or weird possibly (7)
29 Greek heroine has to return with the artist (7)
30 Introduces the start of enterprise in Fleet Street (8)
31 Border hair-style (6)

DOWN

1 Composition which adds nothing to the entertainment (8)
2 To the French fruit quarter for the robot (9)
3 Impersonator appearing in Charlie's Aunt (4)
5 WD in DC (8)
6 Petition from a plump bird (5, 5)
7 It meant the earth to 26 (5)
8 "For this —— much thanks; 'tis bitter cold" (Hamlet) (6)
9 Get me at sunrise, and choose your meals (5)
14 Heir to the title, about to be served in the queue (4, 2, 4)
17 Jim's den, as they call it (6, 3)
18 Possibly indirect, but solvent (2, 6)
19 After an invitation it means without changing (2, 3, 3)
22 The picture of inflation (4-2)
23 Somewhere in Germany to eat (5)
25 Short letter to the Irish (5)
27 Stingy Pole to feature (4)

SOLUTION TO PUZZLE No. 3,101



estival Hall

Wunderhorn

by RONALD CRICHTON

The London Symphony Orches-a gave the whole first part of st night's concert, Claudio bbado conducting, to their loist—Janet Baker. The com-iment was worth paying. In ace of an overture, Vitellia's rst aria from Mozart's *Clemenza i Tito* ("Deh se piacer me ioi"), so compellingly sung as tempt any concert patron ormally shy of *opera seria*, even one by Mozart, to try *La lemenza* in the theatre. The ria was followed by four of ahler's *Wunderhorn* songs, con-rming that Dame Janet was in ondrous voice.

She keeps intact the gift of aking each of a set of songs ppear like a fresh revelation, ompletely and immediately ealised moreover with the allest intensity but without a hadow of exaggeration. Once or wice her flexibility made bbado and the LSO seem stiff y comparison. Not all the instru-nental phrases matched the inger for nuance and eloquence, ut the difference was not seri-us enough to mar the delight of, specially, "Rheinlegendchen" nd "Wo die schonen Trompeten lasen."

Bruckner's Seventh Symphony, lling the remainder of the pro-gramme, started as if it were to be one of those Italian inter-pretations, ardently committed yet lighter in weight and tread than the full Austro-German treatment, which can be illumi-nating and enjoyable. In them some of the pastrola-mystical quality of Bruckner may dis-appear, but in return one learns much about the toughness and boldness of his invention, and of an aspect of his contrapuntal writing almost akin to visual pattern-making.

Not everything lived up to the promise of the opening. There was a tendency for the impulse to slacken in the middle of each of the first three move-ments (the trio of the scherzo was almost sentimental), yet Abbado also achieved pages of great eloquence, others full of subtle shading, and splendid codas to both the first move-ment and—after a shattering climax—the Adagio. Trumpets and trombines, well-behaved up to that moment, grew raucous in the repeat of the scherzo and were a shade too blatent for much of the finale. To be fair, this did not spoil a reading of this movement that had an unusually well-maintained for-ward thrust.

Open Air Theatre, Regent's Park

Othello

by MICHAEL COVENEY

Not one aeroplane all evening or the New Shakespeare Com-pany's first production of a major tragedy at this delightful venue. And *Othello* is not such a bad idea now that the splendid new auditorium hugs the acting area in amphitheatre style. Mark Negin has designed an imposing green-dyed monster of a set and Mervyn Willis's production boasts a major, intelligent per-formance by Robert Stephens in the title part.

Mr. Stephens was much influ-enced by Laurence Olivier's interpretation when he played Atahualpa in *The Royal Hunt of the Sun*; and, at first, you think that Alivier might figure in this production, as the Moor appears silently before us, impeccably blacked-up, bare-footed and clad in a loose robe. But Mr. Stephens does not linger over the deve lopment of negroid mannerisms, shooting straight to the knotted vulnerability of a man more interested in what his best friends tell him than in the ex-perience of a magical passion.

Each decision, both private and public, gives this *Othello* acute intestinal pain. Discovered by Iago in a pose of cross-legged meditation and given evidence that Desdemona may be unfaith-ful, his initial amused interest in the quivering bait gives way to a ponderously articulated "I must loathe her"; and, earlier, when Cassio is dismissed in dis-grace from the quayside brawl, the vengeful quality of the punishment is as difficult for Othello to deliver as he hopes it is to bear. While feeling and behaving at a level no-one else on stage rightly begins to rival, Mr. Stephens still manages to suggest he suffers more the domestic disgrace than the pub-lic; in fact, one of his very bes moments comes when he declares his career to have ended and you feel that the world must stop for his anguish to thrive.

At first, Edward Fox appears to be getting awa ywith Iago. Although no silky operator, he admirabl ypresents a picture of a man continually evoking a spirit of public morality to justify his despicable conniving. What is missing, though, is any sense of an inner demonic drive either overtly sexual or just plain mean. So, as the play progresses, Iago never emerges as any sort of subtle manipu-lator and, for the great central duet with Othello, that is disastrous. When he finally encourages Othello to strangle Desdemona in her bed he might just as easily be instructing him to go off and buy a pound of sausages.

The overall standard of speak-ing is good and parts of the action are well staged, notably the passage beginning with the return to Cyprus and ending with Cassio's dismissal. The fight is excellent, and Clive Arrindel is attractively sympa-thetic as the wronged lieutenant. Desdemona is given a pallid charm by Lorna Heilbron not entirely appropriate to a father's girl suddenly caught in a sexual whirlpool.

Throughout the action, Othello is mysteriously accompanied by a Turkish lad in a revealing tunic. This irritation is out-weighed by the effective use to which this decoration is put in the final scene.

Leonard Burt

Robert Stephens

Cinema

Jewish Mikado

by RICHARD COMBS

Kris Kristofferson leads the lawless in 'Vigilante Force'

What's Up Tiger Lily? (A) — ABC Bloomsbury
In Celebration (A) — Curzon
Vigilante Force (X) — London Pavilion, Metropole Victoria
Alfredo, Alfredo (AA) — Plaza 2

The Woody Allen who intro-duces *What's Up Tiger Lily?*—a sly act of cultural sabotage and cinematic parody, perpetrated back in 1966—is an unfamiliar, Peter Pan-ish presence. Tidily dressed and groomed, without the harassed look and the range of nervous inflections that have become integral to the Allen persona, he seems to be a solemn schoolboy trying to put across some barebrained scheme to sceptical and uncomprehending adults.

The scheme in question is this *Python*-esque farce, which once upon a time was a Japanese spy thriller, made in obvious imitation of the Bond cycle, until Allen committed his un-precedented take-over. The film has been re-edited, supple-mented with a few inserts (of the Lovin' Spoonful pop group and the earnestly embryonic Allen) and dubbed (by Allen and friends) to become a sprightly tripping spoof of itself.

The result is technically quite impressive — the absurdities which the Japanese actors are now made to utter in English often seem to match their lip movements better than many a straightforward dubbing job. And the ways in which the humour tends to hit or miss—occasionally scaling its parodic formula into delirious heights of fantasy, often falling flat in ob-vious joke routines—anticipate Allen's subsequent style as a writer-director-star. But as a 'prentice work, *What's Up Tiger Lily?* is certainly an original—its particular charm exemplified by the brief glimses of the inno-cently unformed but evidently meddlesome apprentice.

Typically, the best gags are a kind of cinematic punning which somehow seem to include the original film in the joke rather than simply making it the butt. An early situation involves the hero, a Japanese secret agent now referred to as "Phil Mos-kowitz, amiable zany," in a jail break. When the escaped convict accidentally lands in his car and proceeds to strip, revealing that "he" is in fact a she, Phil's expected expression of surprise becomes the hilariously redun-dant "Hmmm, an Oriental." Later, while waiting with the girl in a restaurant, "Moskowitz" suddenly announces that this is one of those obligatory scenes in films, where the director walks through with his wife. And when, a few seconds later, an elderly couple do stroll by, the comic effect depends on the audience's confused feeling that the joke must always have been part of the scene.

Inevitably, there is a good deal of straightforward fun-poking, and the film is over-supplied with scenes of knockabout violence, accompanied on the soundtrack by such epithets as "Roman cow!", "Spanish dog!", "Tur-kish taffy!", with villains doing vocal impersonations of film stars, and with standard ethnic jibes ("I'm dying. Call my rabbi," groans evil Sheperd Wong during the final battle). But just when things seem to have sunk to standard comic shticks, Allen is liable to stand the film on its head with an absurd turn: after falling victim to a fancy kidnapping man-oeuvre, "Moskowitz" wakes in a sumptuous palace, and rises from a couch clutching his band-aged head, while moaning "Ohh, my leg!"

*

Consistently straightforward, *In Celebration* is the kind of faithful, unadorned adaptation for which every author must dream—a translation of theatre to film that could be swallowed without a hiccup by TV. The simplicity with which Lindsay Anderson has rendered David Storey's play of a Midlands coal-mining family (made for the American Film Theatre season) allows the strengths and weak-nesses of the piece to stand in perfectly clear relief.

Travelling back from the vari-ous professional lives for which they have been determinedly education, the three sons of the Shaw household return to their cramped mining home-town to help their parents celebrate their fortieth wedding anniversary. And gradually they become like discontented ghosts, sniffing at the familiar atmosphere of in-dustrial ennui and stagnation as they shuffle uneasily through childhood memories to find the root of their failure in adult life. Equally insidious is the self-pitying, hectoring tone which creeps into Storey's writing, to the same didactic purpose as in his recent *Life Class*, directed on stage by Lindsay Anderson and also starring Alan Bates.

Anderson turns guilt and boredom into almost palpable presences, moving his camera for expressive effect only on rare occasions, usually to draw back at some traumatic or quietly significant moment and take in all the trivial orderliness of this domestic arena. He does nothing, however, to prevent the play being roughly seized by the neck by the eldest son, Andrew (Alan Bates), who determinedly shakes loose all the skeletons in the cupboard until he has finally identified the cause of the family's malaise. They have all been victims of a cult of worship that has surrounded their mother, as if they needed to atone for her fall from grace (and social expectations) in marrying a miner and being six months pregnant at the time.

Bates' performance saves Andrew from being totally schematised as the embittered iconoclast of family life — although the actor himself lately seems in danger of making the type over-familiar. Most of the damage is done to the other characters, who tend to become abstractions in Andrew's crusading monologues weighing the guilt and suffering of each. And the air is soon filled with the kind of moral bombast that attended Bates' assault on pro-fessional guilts in *Life Class*. But as one of the homelier products of the Film Theatre, *In Celebration* motors along pleasantly enough, powered by solid performances and a text that is dramatically sound if thematically overstated.

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Curiously, the limitations of the Film Theatre movies as any-thing other than records of stage productions are echoed by a straight-out action film, *Vigilante Force*, a fantasy of America on the brink of civil war that is sharply written but weakly visualised.

When a small Californian town suddenly finds itself at the centre of an oil boom, and its streets given over to Wild West lawlessness as the brawling oil-men move in, a group of con-cerned citizens set about privately boosting law and order. Clean-cut Jan-Michael Vincent hires his brother, ex-Vietnam serviceman Kris Kristofferson, to put together a vigilante police force of tough army buddies. Inevitably, Kristofferson soon shows his psychopathic side in dealing out very tough justice to the rowdies, and his lack of public spirit in finally using his power to take over the town. With its theme of pigeons (or hawks) coming home to roost in the aftermath of the Vietnam war, the film might have developed fruitfully as black satire. Its writer-director George Armitage provided the basis for just such a vision in Roger Cor-man's *Gas!* But here he seems unable to capitalise on the best ideas in his own screenplay, and the film simply becomes—quite vigorously and entertainingly—a modern-day Western.

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There don't seem to be any ideas to speak of in *Alfredo, Alfredo*, merely an endless suc-cession of identical jokes about the maladroit match of bashful bank clerk Dustin Hoffman and hysterical beauty Stefania San-drelli. Hoffman does his best to keep the charade alive by resur-recting the comic ties of his *Graduate* role, but he is swept away by a deluge of shrilly un-funny (and poorly dubbed) routines.

Letter from Berlin

Verdi & Strauss

by ELIZABETH FORBES

West Berliners enjoy a wide spectrum of musical events. In ten days at the end of May it was possible to hear the Berlin Philharmonic conducted by Eugen Jochum, the New Philhar-monia under their chief conduc-tor Riccardo Muti, three other Berlin orchestras, a song recital at the British Centre by Jane Manning and Richard Rodney Bennett, and six or seven different operas at the Deutsche Oper. By crossing into East Berlin one can of course expand the choice still further. With only four evenings in Berlin I spent the first, as described yes-terday, at the Komische Oper in the Eastern sector seeing the Felsenstein production of Offen-bach's *Barbe-Bleue*. The Staat-soper, the other East Berlin opera house, was commemorating the 150th anniversary of Weber's death with a new production of *Oberon*, but the dates were in-convenient.

The Berlin Philharmonic has just been in London; the New Philharmonia arrived after I left and Jane Manning sang the day before I arrived, so I planned to go to three performances at the Deutsche Oper. The brand new production of Janacek's *Jenufa*, directed by Bohumil Herlischka with sets by Erich Wander and costumes by Liselotte Erler, sounded extremely interesting, and at the farthest remove from Covent Garden's realistic settings and staging. Unfortunately the performance was cancelled at the last minute, and I was deprived of the chance to hear Pilar Lorengar as Jenufa and Patricia Johnson as the Kostelnicka, both of whom were highly praised for their singing and acting.

Ernst Schröder's controversial staging of *Un ballo in maschera* dates from December 1974. Again, nothing could be more different from Covent Garden's production: the action is firmly placed in Boston, but it is up-dated to the American Civil War period. Michel Raffaelli's set resembles an elegant version of Brighton pier, with steps variously arranged for access. This works better for some scenes than for others; it is splendid for Ulrica's cabin down by the shore, good if unusual for the gallows scene, most uncon-vincing for Renato's study, and quite superb in the final scene, when the whole contraption swivels round to become the ball-room, with masked dancers forming an immense chain round the stage, silhouetted against a blood-red back-cloth. Four of the five principal singers remain from the first cast; the exception is Riccardo, originally played by Carlo Cossutta, and now sung by Vasile Moldoveanu, a tenor with a fine, resonant voice and hand-some presence, who lacks the authority that is surely neces-sary for the part.

Catarina Ligendza's beautiful voice is rather soft-grained for such Italianate music, but she sings both her arias most sensi-tively, and in the duet with Riccardo shapes the music in large, sweeping phrases. Ingvar Wixell is a tower of strength as Renato and Eva Randova makes a rich-voiced Ulrica. Costanza Cuccaro is a polished Oscar and sings with grace as well as verve. Some of the smaller roles are hardly more than adequately filled, but the chorus is well-trained and precise. Miguel Gomez Martinez conducts effi-ciently, but without that feeling of inspiration that can turn a good performance into an excel-lent one.

There is some very fine orches-tral playing in *Die Frau ohne Schatten*, conducted by Heinrich Hollreiser, though the white-hot incandescence that Solti can find at the heart of Strauss's score is merely a respectable glow in Hollreiser's reading. Gustav Rudolf Sellner's 12-year-old pro-duction benefits from some stun-ning sets by Jörg Zimmermann—the ultra-modern sliding door to the Falcon House is rather out of place—and also from the ease with which complicated scene changes can be effected in this theatre without need to lower the curtain. There is a marvel-lous moment at the end of Act 2 when Barak's hut sinks down into the earth, and Nurse and Empress are seen rising to the spirit kingdom. But the tricky problem of the Empress's shadow is ignored, not solved, while from where I sat the shadow bridge between Barak and his wife was not visible, either. As all the other tech-nical difficulties are so easily overcome, it seems a pity that these cannot be vanquished, too.

Vocally the performance is dominated by Ursula Schröder-Feinen's Dyer's Wife, sung with unfailing musicality and untiring freshness of tone. Gerd Feldhoff is a sympathetic Barak, and he too sings and phrases with nobi-lity and warmth. Siv Wennberg uses her bright, strong voice generously as the Empress — the flashing silver of her top register is thrillingly projected — while Gerd Brenneis succeeds in giving the Emperor a positive character and personality. Ruth Hesse plays the Nurse with com-plete involvement, as she does at Covent Garden. Barak's brothers, the Night Watchmen and all the various voices off are competently sung.

New chairman for Sadler's Wells Theatre

After 14 years as chairman of the Sadler's Wells Foundation, Mr. David McKenna has re-signed, to be replaced by Sir Roger Falk who has himself been a governor since 1972.

Arezzo theatre

Unfamiliar Pirandello

The "Granteatro" company is a troupe of strolling players, even if they move about with a few automobiles and a little van. I saw them perform in Arezzo, next day they were in Ancona, a month before they played a series of small Piedmontese localities. They number 14 (in-cluding the lights man and the wardrobe mistress), and they have been together since 1971. In that time they have staged Mayakovsky, Brecht, *Woyzeck*. Their current production is Pirandello's *L'uomo, la bestia e la virtù*. The Granteatro's stag-ing, visually simple, is both thoughtful and thought-provok-ing.

Even now, after more than a half-century, it is not hard to see why critics and public were shocked at the play's first appearance in 1919. Then, the authoritative Renato Simoni (known to non-Italians chiefly as co-librettist of *Turandot*) called the play a "grave error"; the opening night audience jeered the last two acts.

L'uomo, la bestia e la virtù is, to some extent, the familiar Pirandellian mixture, masks versus reality, lies versus truth. But, this time, the mixture is administered in the guise of farce, a black comedy *ante litteram*. Paolino, the irascible professor, has made pregnant the virtuous Signora Perella. Her husband, a bestial, adulterous sea-captain, is to be home for only one night. He must be forced to perform his conjugal duties. There is some marvellous tricky joking about a cake, half of which is aphrodisiac and half innocuous. But beneath all this clowning, Pirandello is describ-ing the tragedy of everyday bourgeois life, with its fictions and hypocrisies, which force virtue to submit to vice.

Carlo Cecchi, the Granteatro's producer, has taken his cue from the amusing stage-directions of the author, who describes most of his characters in animal terms. Paolino, the Signora, the Captain, and the others—in Cecchi's production—all wear masks. This device is not only apposite to Pirandello's inten-tion, but also a gentle reminder that the dramatist's antecedents date back to the commedia dell'arte. Even the two grouchy housekeepers in this play sug-gest, at times, the intrusive, knowing servants of Goldoni (Goldoni's, of course, are far more likeable).

In the unofficial Italian theatre these days, in the "off" and "off off" productions, the fashionable word is *dissa-crazione*. A classic play must never be performed straight: it has to be desecrated, usually by a young producer-actor on a monumental ego trip ("I'll show Shakespeare what he really meant to say"). Happily, Carlo Cecchi's ego is under control. His staging—and his splendidly-paced performance as Professor Paolino—enhance, deepen our understanding, without mucking up the text (one small cut is made, at the beginning of Act 3, to arrive more directly at the wry denouement).

Cecchi is not, however, the star, because his company is a splendidly coherent team: and it would be right, if space per-mitted, to praise them all, the swooning Luisa De Santis (Sig-nora Perella), Carlo Monti (the terrible-tempered Captain); the versatile Aldo Sassi, who plays the Doctor and the doctor's brother; Marina Confalone, the two monstrous housekeepers; Rosanna Benvenuto, the ghastly brat Nonò; and so on.

Sergio Tramonti's sets and costumes reflect the grotesquerie of Cecchi's approach to the work. They are also admirably evocative. No doubt, in calling itself "Il Granteatro," this small, agile company meant to be ironic; but grand it really is. They have done Pirandello a service.

WILLIAM WEAVER

WORLD TRADE NEWS

EEC-Portugal protocols strengthen 1972 accord

BY ROBIN REEVES

BRUSSELS, June 10.

THE EUROPEAN Community has rewarded Portugal for moving towards pluralist democracy by improving and strengthening the 1972 Portugal-EEC trade agreement. In doing so EEC sources expressed the hope that the message would not be lost on Spain.

EEC Commission negotiations with the Portuguese Government ended here yesterday with the initialling of two new protocols to the original pact. The first will allow improved access to the Common Market for Portuguese industrial goods and agricultural exports, notably textiles, wine and horticultural products, while at the same time allowing Portugal to increase its tariff protection temporarily on certain industrial products.

It also provides for Portuguese migrant workers to enjoy full EEC social security benefits for themselves and their families and to repatriate pensions.

The second protocol is a financial one under which Portugal will have access to 200m. units of account (UA) in loans over 5 years plus 30m. UA as grant to subsidise interest rates. This money will become available after the Community emergency financial aid for Portugal of 700m. UA over three years run out at the end of 1977.

On trade, a bigger import ceiling for Portuguese textiles was granted by the EEC in exchange for a promise that exports towards the U.K. should not exceed certain limits. For industrial products generally, the Community will now allow tariff-free access from July 1, this year. This is one year earlier than allowed for in the original trade agreement.

On the other hand, Portugal is being granted permission to raise its import tariffs on some products by as much as 20 per cent. —though the original target date for a free trade area between the Community and Portugal—1985—still stands. The concession on wine will allow Portugal to export larger quantities of port and madeira.

● European Coal and Steel Community loans totalling $35m. are to be invested in the expansion of iron ore concentrate and pelletting facilities in Liberia, under a deal just signed in Brussels. The loans are towards a $120m. project to increase the production capacity of the Bong Mining Co., whose capital is held jointly by the Liberian Government and a number of W. German steel companies.

Talk swith Japan start

BY PETER DUMINY

TOKYO, June 10.

JAPAN AND the EEC began their twice-yearly, high-level consultations this morning. The two-day talks will concentrate on bilateral trade matters but will also range over the whole canvas of the world economic situation and multilateral issues.

A strong EEC delegation is led by Mr. Theodorus Hijzen, director-general for external relations. It includes Mr. Josephus Loeff, director-general for industry, who is having shipbuilding talks this week and will lead a European Coal and Steel Community delegation in bilateral discussions on June 15 and 16.

Another member is Mr. Benedict Meynell, director for commercial policy questions, and will stay over for three-cornered textile talks (at which the Americans will also be represented) next week.

The EEC's perennial worry is the imbalance of two-way trade with Japan which was reflected in a surplus for Japan of $3.3bn. (f.o.b. basis) last year and is being forecast to grow to $4bn. this year

Japanese customs clearance figures reveal that EEC imports showed no further growth in January-April (annual rate of just under $6bn.), but there was an 8 per cent. drop in EEC exports to Japan.

World Car Markets

U.S. price rise warning

BY JAY PALMER

NEW YORK, June 10.

THE TWO largest car companies in the U.S., General Motors and Ford Motor, have both indirectly warned that this autumn's new 1977 car models may be priced well above current levels. Although the actual price increases have not yet been determined, both companies have informed their respective dealers that the increases could be as large as 6 per cent.

The motor industry's summer practice of putting a "ceiling" on forthcoming price rises is routine. Under such "price assurance" announcements, the dealers themselves are not liable for any increase in excess of the stated amount. They are thus free to accept new model orders from fleet buyers at the theoretically highest possible price and, when actual prices are announced, negotiate refunds to buyers.

A nominal 6 per cent. price rise could lift car retail costs by anything between $200 and $2,000, depending on individual models. The stated ceiling is, however, no guarantee whatsoever about the impending increase—in past years companies have lifted new model year prices by both more and less than the limit. In the case of larger increases, the companies themselves absorb the difference on any deals negotiated before the actual increases are announced.

Nevertheless, there is considerable speculation that this year the big three car companies—the two above plus Chrysler—wil almost certainly increase retail prices by the full 6 per cent. or possibly even more. The costs of such key raw materials as steel have recently moved sharply higher and later this summer the industry faces some tough negotiations with the auto workers union over a new three-year wage contract.

At the same time, there seems a very strong chance that the car companies will introduce their adjustments in such a way as to try to tone down the presently very high demand for larger vehicles and increase the demand for small cars. In a sudden switching of demand late last year, production of larger vehicles fell behind while small cars piled up unsold.

Hawker's Airbus wings order

BY LORNE BARLING

FRANKFURT, June 10.

HAWKER SIDDELEY is to supply a further 16 sets of wings pean airbus, it was announced here today.

The new order underlines the success of the 336 seat aircraft in which Hawker Siddeley also has a design role, and is likely to increase the chances of British government participation in the project.

The airbus, built by a consortium of French, German, Dutch and Spanish companies, is seen here as Europe's most successful counter to projected American airliners to meet medium haul demands in the 1980s.

But recent moves by France, to link up with Boeing to develop a smaller, 200 seat derivative, the A300B10, has caused alarm in the U.K. recently.

However Mr. Bernard Lathiere, president of Airbus Industrie, said here yesterday that he would welcome Britain as a major partner in the project. He envisaged a U.K. share of around 30 per cent., carrying the same weight as the two other major partners, France and Germany.

It has been estimated that the development of the B10 version, which may require a new wing, would cost up to £175m. of which Britain could be required to pay about £60m.

But Mr. Lathiere stressed that recent talks on the matter with Mr. Gerald Kaufman, Under-Secretary of State for Industry, while helpful, had been inconclusive.

"We have been told of intentions, but have received no propositions," he said. No firm decision had yet been made on how the A300 should be developed.

It was also stressed here that whatever the outcome of future negotiations, the existing relationship with HS on the present models was unlikely to be changed. HS has now delivered 46 wing sets to Airbus Industrie and a further 12 will be delivered this year. Total to date value of all services from the U.K. now exceeds £130m. and the new order takes total orders to 84 wing sets.

The aircraft is already in service with Air France, Lufthansa and four other airlines.

BOC expands in Norway

FINANCIAL TIMES REPORTER

BOC LIMITED, part of BOC International, and Odda Smelteverk (BOC's wholly owned Norwegian subsidiary) are to spend about £6m. on an expansion programme at Odda, Norway. It will include installing a new 50 MW electric furnace to replace the two smaller furnaces currently being used. Installation of the new plant is expected to be completed early in 1978.

The expansion of Odda Smelteverk has been made possible by the decison of the Storting (Norwegian Parliament) on Wednesday to provide the necessary increase in hydro-electric power supply.

With the installation of the new furnace, carbide production will be boosted from 110,000 to 133,000 tons per year. As the Odda plant uses coke and anthracite from England and limestone from North Wales the exports of these commodities will be correspondingly increased.

Record year seen for U.K.-East Europe trade

By David Lascelles

BRITAIN'S TRADE with East Europe, and particularly the Soviet Union, looks set for a record year, with total turnover expanding faster than total U.K. trade, according to a report prepared by the Moscow Narodny Bank in London.

On the basis of trends in the first four months of 1976, the bank says Britain's East-West trade is proving to be a highly dynamic sector with turnover 42.5 per cent. higher than the comparable period in 1975. However, exports are rising more slowly than imports, and Britain moved from a surplus of £7.2m. in the first four months of last year to a deficit this year of £84.3m.

Much of the growth is due to the Soviet Union whose trade surplus in the first four months rose from £59.7m. to £143.7m., with increases in both the volume and value of traditional goods like timber, minerals and metals. Imports of Soviet petroleum products are also rising fast, providing, the Bank says, a new dimension to Anglo-Soviet trade. Imports topped 1m. tons in the first four months worth £73m.

Trade with Poland is also rising fast with exports up a fifth to £66.8m. and imports by a third to £49.5m. But trade with other socialist countries did not show such encouraging trends.

However, the bank believes that with sterling's recent depreciation and satisfactory export credit facilities, U.K. exporters are in a better competitive position at the start of the new East European five-year-plan period (1976-80), than they were at the beginning of the last.

● R. Twining forecasts that its exports of tea to Poland will exceed £300,000 this year—over the past 12 months its exports amounted to just over £200,000. At present the company supplies four blends of speciality teas in tins and 100-gram cartons, but hopes to extend the range to include tea bags in the near future.

Gierek call on imports to W. Germany

BONN, June 10.

MR. EDWARD GIEREK, First Secretary of the Polish Communist Party, told a group of industrialists to-day that it is essential that West Germany increase its imports from Poland.

"In the long run it would be inadmissible if our economic ties remain a one-way street with Polish exports considerably smaller than its imports from the Federal Republic of Germany," he said.

Mr. Gierek met the German industrialist in the Duesseldorf Congress Center on the third day of his five-day visit. Also on his schedule to-day was a meeting in Linz am Rhein with Helmut Kohl, Chancellor Candidate of the Christian Democratic Party, and another banquet with his West German hosts.

"Poland does not intend to limit imports," he told the industrialists. "But it expects active and effective co-operation of economic circles and support of authorities." He said that there had been an improvement in the Polish-West German trade balance recently but not as much as is possible.

West Germany is Poland's biggest trade partner in the West, and Poland is West Germany's biggest Eastern trade partner after the Soviet Union.

In the last five years their trade has tripled. West Germany exports yearly goods worth Dm. 3.21bn. to Poland and imports DM1.44bn. worth of Polish goods.

Mr. Gierek told the industrialists that the Polish-West German economic co-operation agreements being discussed during his visit show what can be done to improve the trade balance.

Under one agreement West Germany would import 40,000 tons of Polish copper yearly. Another agreement under discussion calls on West German companies to build a petrochemical plant for DM2.6bn. in the Katowice area.

UPI

AMERICAN NEWS

Problem welds unlikely to delay Alaska oil pipeline

BY STEWART FLEMING

NEW YORK, June 10.

THERE APPEAR to be good prospects for the early completion of the 800-mile trans-Alaska oil pipeline, in spite of a Government inquiry into some 4,000 "problem welds" discovered in the course of an examination of 30,000 pipeline welds last year.

Following announcement of the problem welds position last month, there was speculation that the operation of the pipeline might be delayed for several months beyond its July, 1977, planned start-up date. It was also suggested by Alyeska Pipeline Service, the consortium building the line, that correction of the faults could cost several million dollars.

A report in the June issue of the Oil and Gas Journal says, however, that the start-up process on the pipeline could begin on May 1 next year and not on July 1 as originally planned. This implies that the problem welds will not cause any delay.

The U.S. Interior Department, which is responsible for the investigation into the $7bn. pipeline's welds, said to-day: "The Oil and Gas Journal is a responsible publication and we have no reason to quarrel with what they said."

It indicated the Government was not expecting a delay as a result of the problem welds. The companies engaged in the project are, however, unwilling to discuss the situation, fearing they might appear to be trying to put pressure on the Interior Department.

It appears, however, that the Department and the U.S. Government are anxious to be as flexible as possible in dealing with the problem welds and are ready to relax the strict interpretation of the review procedures which call for X-ray analysis of welds.

Arab boycott 'starting to relax'

BY JAY PALMER

NEW YORK, June 10.

SOME ARAB countries are now beginning to relax their boycott of U.S. companies which are trading with Israel, according to Mr. William Simon, the U.S. Secretary of the Treasury. In a direct plea to Congress, Mr. Simon warned that current planned U.S. anti-boycott legislation could reverse this favourable trend.

Speaking before the House International Relations Committee, Mr. Simon reported yesterday that "a number of Arab governments are negotiating or considering contracts with companies . . . which maintain special economic relationships with Israel." Other concerns are making progress in eliminating anti-boycott clauses from contracts, letters of credit and shipping instructions.

Noting that the Arab nations are now considering exempting from boycott lists any companies which make as significant a contribution to them as to Israel, Mr. Simon argued strongly against legislation which would prohibit U.S. companies from, among other things, responding to foreign customer requests for personal information about directors.

Virtually at the same time Mr. Simon was presenting his case, a different Congressional committee was reviewing the contradictory boycott testimony of another high administration official. In a letter to the House Consumer Affairs Sub-committee, Dr. Arthur Burns, chairman of the Federal Reserve Board, noted that some U.S. banks were continuing to bow to boycott demands and argued that such compliance could only be halted by swift legislation.

Call for cuts in NY budget rejected

By Our Own Correspondent

NEW YORK, June 10

NEW YORK City's Emergency Financial Control Board meets to-morrow to examine Mayor Abraham Beame's response to a report by the Board's director calling for a further $300m. worth of cuts in the city's 1977 budget. In advance of to-morrow's meeting, the Mayor firmly rejected the recommendations of the EFCB director Mr. Stephen Berger that extra cuts be imposed or existing cuts accelerated and made effective.

It was being suggested to-day that the meeting to-morrow would not necessarily come to a decision on whether to insist that the Berger report be implemented. It is thought that attempts will be made over the next few weeks to try to reach agreement. The Federal Government in the background, however, will be watching developments closely as the city moves towards the beginning of its new fiscal year and the prospect of a renewal of the federal subsidy.

Meanwhile negotiations with the city's municipal workers are continuing and fears are being expressed about the difficulties of persuading the unions to agree on a further year without wage increases.

May retail sales decline

BY DAVID BELL

WASHINGTON, June 10.

RETAIL sales fell last month by $636m. continuing a decline which began in April and is beginning to slightly puzzle some economists.

Last month's fall—1.2 per cent.—was chiefly due to a $414m. drop in car sales and May retail sales were still nearly 10 per cent. higher than a year ago. Nevertheless, the figures show a fall in sales across the board except in department stores which registered a small increase from the month before.

These latest statistics coincide with at least one survey of consumer confidence which suggests that despite the recent rash of good economic news as many as two-thirds of those surveyed do not appear to share the official optimism about the economy. Whether this is part of the reason why retail sales are a little sluggish or whether it is no more than a temporary lull remains to be seen.

According to McGraw-Hill's latest survey of business inventories, however, a number of businessmen also take a cautious view of current developments. The survey suggests that there is a good deal of wariness about allowing inventories to build up too fast in advance of demand. This in turn suggests that the pace of the recovery, which was partly fuelled by restocking, may be slowing down a little as inventories are reaching the level that manufacturers think adequate for the moment.

Greenspan optimistic on recovery

BY OUR OWN CORRESPONDENT

NEW YORK, June 10.

MR. ALAN GREENSPAN, chairman of the President's Council of Economic Advisers, told the Joint Economic Committee of Congress to-day that the administration's mid-year budget forecasts were projecting real economic growth for 1976 of 7 per cent.

The forecast contrasts with the outlook economists were predicting at the beginning of the year, when growth forecasts generally ranged around the 6 per cent. mark.

In the past two months, however, there has been strong evidence of economic growth going ahead at a higher than anticipated rate. Thus in April the Commerce Department reported that "real" economic growth for the first quarter adjusted for inflation and also seasonally adjusted was at an annual rate of 7.5 per cent.

Moynihan announces Senate candidacy

By Jurek Martin, U.S. Editor

WASHINGTON, June 10.

MR. DANIEL PATRICK Moynihan, the controversial American Ambassador to the United Nations who resigned earlier this year, this morning announced his candidacy for the New York Senate seat currently held by Mr. James Buckley, the Republican-Conservative.

Mr. Moynihan's announcement comes as little surprise. When he gave up his UN post amid rumours that his hard-line speeches had aroused the discontent of Dr. Henry Kissinger, the Secretary of State, it was widely assumed that he had his eyes on elective office.

He will be running as a Democrat in an already crowded field. It contains Congresswoman Bella Abzug, the colourful and sometimes abrasive feminist, Mr. Ramsey Clark, the former Attorney General, State Assemblyman Andrew Stein, a well known local liberal and early opponent of Concorde flights to the U.S., Mr. Paul O'Dwyer, a prominent New York City Council Member and Mr. Abraham Hirschfeld, a businessman.

Mr. Moynihan will probably be among the most conservative of the Democratic candidates. He is predicting his chances on the support he commands among New York State's large Jewish population, which was attracted to him by his attacks on Arab nations while at the UN. Among his principal advisers is Mr. Norman Podhoretz, publisher of "Commentary," the well-known Jewish intellectual magazine.

SHIPBUILDING DISPUTE MOVE

By Our Own Correspondent

WASHINGTON, June 10.

THE PENTAGON to-day abandoned its attempt to reach a quick settlement with major shipbuilding companies who have been seeking up to $1.8bn. in compensation and have threatened to stop work on ships no wbeing built if their claims are not met.

A Defence Department spokesman said that two of the four companies had reached agreement with the Navy but the other two had not. The Pentagon had decided that all the manufacturers should use ordinary naval settlement procedures. However, the Pentagon was sharply attacked by a number of Congressmen and others in the past few weeks for "selling out" to the shipbuilders and has ben coming under heavy pressure to drop its compensation plan. Earlier this wek Admiral Hyman Rickover described it as a "ripoff."

UN CONFERENCE IN VANCOUVER

The human side to Habitat

BY PHILIP HANSON IN VANCOUVER

IT HAS COST upwards of $20m. to bring together members of the UN in this prosperous city to discuss one of the world's most serious problems, how to solve the plight of the world's homeless and under-housed.

The cost of the exercise—someone lightly suggested that the two weeks of Habitat has cost $1 a word—moved one veteran observer of international events to wonder aloud whether "We couldn't have done a lot more by spending that $20m. on housing where it is most urgently needed, than spending it on the conference." His comment is typical of the doubt and cynicism that have surrounded the UN conference on human settlements which winds up to-day with the important declaration of principles and programmes for international co-operation.

As conferences go, this one has been well-handled and showed great promise. Economist Barbara Ward called it "one of a series of global discussions in which man is beginning to talk about serious things." But in the hours before the delegates pack up their bags the question being asked around the downtown hotels is, "was it really worth it?" To some, it seems that the host Canadian Government and the UN have blown $20m. on a travelling talk show that will be forgotten as soon as the last delegate gets on the train to sight-see in Banff.

But others see something more tangible coming out of this offspring of the Stockholm conference on the environment, four years ago. They see it as a sign that the nations of the world have realised at long last that something simply has to be done about housing people adequately in what will soon become a crowded planet.

Habitat secretary-general Enrique Penalosa hoped it would be an unprecedented effort by the UN to shape the policies of its member nations. "If there is no decision at the national level, what use are advice and technical assistance to countries from the international community?" he asked as the conference began.

Unfortunately, meeting the ideals of Habitat has not been easy. The whole question of giving the poor a decent standard of living has become enmeshed in national rivalries, giving rise to the viewpoint that Habitat could be little more than a nice holiday and a chance to air, yet again, well-known nationalistic hard lines. Whether an appropriate place or not, Habitat quickly became a platform for views on racism in South Africa, torture in South America, the struggle of the Palestinians against the Israelis, and others more.

It will be tense as delegates file into the Queen Elizabeth theatre in downtown Vancouver for the declaration of principles. At this late hour, Third World nations seem intent upon working some condemnation of Zionism into the declarations, the effect of which would be to sabotage the spirit of Habitat. The friends and supporters of the Palestinians are in a majority and can push the condemnation through if they really want to.

However, some UN officials are optimistic that the Third World nations do want Habitat to be a success and that by the time the declaration gets to its final draft, they will have softened, or dropped, any reference to Zionism.

Another little incident that has given ammunition to those who see little benefit from Habitat was a draft communique that fell into the hands of the Press two weeks before the conference was due to start. The document said that the organisers did not expect delegates to reach any startling conclusions. Among other things, the communique declared that all people should be entitled to enough food, to shelter, employment, health, and freedom.

The disclosure of this document which summed up discussions that had not yet been held, drew a flurry of hurried explanations. The deputy secretary-general said it was probably a mistake to draw up the document as if it had already been approved and the Canadian commissioner-general for the conference, Mr. James MacNeill, said it was standard UN practice to prepare such communiques in advance. Still, the doubt lingered on.

It is a shame that the politics and and the bureaucracy have detracted from the spirit of Habitat because, actually, there have been some fine things happening. It is out at the committees and in the non-governmental Habitat Forum that Habitat is doing what it was supposed to do. Meeting in three of the city's best hotels, the committee sessions have been the site of some down-to-earth exchanges in viewpoints and some interesting reshaping of attitudes.

For example, it was in committee that Canada which normally embraces free enterprise and capital gains, did an about-face on Monday and threw its support behind a proposal in favour of full confiscation of unearned land profits. It was a switch from Canada's former position that an "equitable" portion of profits should be returned. Nobody tried to define what would be equitable.

Habitat Forum is strictly non-governmental. It is located at Jericho Beach in old, weathering, white-painted hangars that were once part of an air force flying boat base. The Forum has impressed everybody. In essence, it's a huge pleasure fair where anybody with something to say about alternative life styles has been able to set up shop. Some 250 groups are here representing everything from houses made of sulphur blocks through toilets that turn human waste into garden compost to a school that teaches ecological principles.

The Forum has ben built to a rough-hewn Western motif, largely using logs that had broken away from booms and were washed ashore on the beach. Down at this site, at the foot of a hill over which some of Vancouver's finest houses are built, a stream of famous people with a message about the future of humanity have drawn huge crowds of delegates, visitors and Vancouverites. Mother Teresa travelled from the slums of Calcuta to deliver a moving, passionate appeal on behalf of the poor. Other speakers at the Forum have included Buckminster Fuller, the geodesic dome man, Margaret Mead, the anthropologist, and Barbara Ward.

It is here that lively debate has been held about the use of nuclear energy. An affiliation of distinguished world citizens known variously as the Group of 24 and the Vancouver Symposium, have been picking away at Third World nations that rather like the idea of nuclear power plants.

"We must instil some sense of pride in them which might make them change their mind about the dumping of technology which we have found too dangerous and too uneconomic for ourselves." Miss Mead, one of the 24, said.

The Forum has also helped an apathetic city become involved in the spirit of Habitat. Until opening day it appeared that this rather smug, well-to-do urban area of 1m. people could not have cared less about the conference. When teachers held classroom polls, hardly any students knew what Habitat was. Adults looked blank when television reporters stopped them in the street to ask them to explain Habitat.

But since the morning it opened, Vancouverites have been flocking to the Forum and their enthusiasm has been contagious. Even if the conference is a flop, it will be long remembered locally. One African delegate who did not want his name used—diplomacy and all that—said of the Forum: "This is where my inspiration has come from, this is what I shall remember.

"I do not think a governmental organisation could have put together a site like this, no matter how hard they tried. It is a tribute to ingenuity and individualism and that, I think, is what we need most of all."

STOLEN PLUTONIUM CLAIM

An anti-nuclear lobby group at the Habitat conference claimed yesterday that it had been offered an ounce of stolen plutonium, the raw material for a nuclear bomb, Reuter reports from Vancouver.

The Canadian Greenpeace Foundation said in a sworn statement it had been asked by unidentified "intermediaries" to present the plutonium at the conference to publicise the dangers of nuclear materials. Mr. Robert Hunter, Greenpeace chairman, said he had turned down the offer because he could not take the risk of the plutonium falling into the wrong hands. Mr. Hunter refused to identify the group which he said had offered the plutonium or give details of how it came to be stolen, but he said he was convinced the group's claim was true because of contacts made in Britain, France and the U.S.

The idea, he said, was to bring home to the conference that "this incredibly deadly material" was no longer in the hands of governments alone.

The Financial Times, published daily except Sundays and holidays. U.S. subscription $167.00 (air freight) $334.00 (air mail) per annum. Second class postage paid at New York, N.Y.

OVERSEAS NEWS

Guerillas open another front in Rhodesia

BY TONY HAWKINS SALISBURY, June 10.

[R]ODESIA'S Defence Minister, Pieter Van Der Byl, to-day [sai]d in an interview that Zambia [ha]d opened up a third front in [the] Rhodesian guerilla war.

[A] Government spokesman said [lat]er that a "small group" of [ter]rorists had infiltrated into [Rh]odesia across the Zambesi. [Ea]rlier this week, security forces [ha]d revealed that an unsuccess[ful] attempt had been made to [blo]w up civilian aircraft at the [air]strip at Bumi Hills on the [sou]th bank of Lake Kariba.

This was the first official con[fir]mation of guerilla incursions [int]o Rhodesia from Zambia fol[low]ing a recent announcement [by] President Kenneth Kaunda [tha]t, because talks had failed, he [wo]uld allow guerillas once again [to] operate from Zambia against [Rh]odesia.

Mr. Ian Smith, the Rhodesian [Pr]ime Minister, has said that [Rh]odesia has sufficient spare [ma]npower to cope with this addi[tio]nal threat, but the new incur[sio]ns mean that there will now [be] four operational areas in [Rh]odesia. In the north-east there [is] operation "Hurricane," in the [sou]th-east "Thrasher" and in [the] low veld "Repulse." In [eff]ect, the latest development [me]ans that Rhodesia is facing [inc]ursions on all sides.

The latest security forces com[mu]nique reveals that three more [gu]erillas have been killed in [th]e past three days, while four [Af]rican children died in a land[mi]ne explosion. Two African [civ]ilians were killed by guerillas [an]d an African child was shot [an]d killed during a contact be[tw]een security forces and the guerillas. An African soldier was killed in action.

So far this year, the guerillas have suffered 292 casualties while security force losses total 41. Civilian deaths have increased to 94 killed by terrorists and more than 40 curfew breakers have been killed.

Reuter adds: The opening of a new front along the 600-mile Zambian border could pose a major task for the emburdened security forces, which have already been forced into extending the call-up of civilians into the services.

Military analysts believe that, because of the nature of the bush war, the present attempt to contain and destroy the guerilla threat means that Rhodesia must deploy up to 20 men for every guerilla.

It also means deploying large numbers of vehicles and military equipment, as well as aircraft, and setting up command posts and military infrastructure.

● The Swiss Government is reviewing its policy which permits companies in Switzerland to sell unlimited exports to Rhodesia, the Foreign Ministry said to-day, according to a Reuter report from Berne.

Mr. Hansjakob Kaufmann, deputy director of the Foreign Ministry's department dealing with African affairs, said Government plans to plug loopholes in the law would not involve a complete ban on exports.

"A reconsideration of the need for such a measure is in progress. We shall certainly recommend closing the loopholes which have appeared."

Angola mercenaries trial opens to-day

BY JANE BERGEROL LUANDA, June 10.

[T]HE TRIAL in Angola of 13 [B]ritish and American mercen[ar]ies captured in the Angolan [w]ar will start to-morrow in [L]uanda's Palace of Commerce, [it] was confirmed here to-night.

The charges against the 13 [a]ccused will be made public for [th]e first time at to-morrow's [o]pening session and the indict[m]ent will also include the sen[t]ences suggested by the prosecu[t]or.

In Angolan law, the death pen[a]lty may be used; but the Presi[d]ent has the power to commute [i]t.

Two American lawyers in [L]uanda to defend the American [m]ercenaries up for trial have [h]ad several meetings with their [c]lients and are preparing their [d]efence brief, along with four [A]ngolan lawyers defending those [m]ercenaries who have not [b]rought in their own defence.

The Americans claim their [tw]o clients are not facing as [gr]ave charges as many of the [B]ritish mercenaries involved, [b]ecause, the lawyers say, they [w]ere only in Angola for "three [or] four days." They claim that in [th]at time they did not fire a [si]ngle shot.

[The U.S. lawyer Mr. Robert Cesner told UPI he would call as a witness Defence Minister Henrique Iko Carreiro so he could ask him about conditions in the country when the mercenaries were captured.]

Meanwhile an Angolan-sponsored international commission of inquiry that has been sitting in closed session here since Monday is due to make a statement on its work so far later tonight. The commission, consisting of lawyers from 31 countries, including Britain, the U.S., the Soviet Union, Cuba and several African countries, aims at publication of a "White Book" bringing together its findings and recommending, if possible, action at the United Nations on a resolution which would place U.N. member states under an obligation to stop mercenary recruitment in their countries.

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Nippon-Australia treaty will be signed next week

TOKYO, June 10.

[A]USTRALIAN Prime Minister, [M]alcolm Fraser, and his Japa[ne]se counterpart Takeo Miki [wi]ll sign a long-delayed basic [tr]eaty of friendship and co-[op]eration on June 16 in Tokyo, [th]e Australian embassy an[no]unced to-day.

The treaty, previously known [as] the Nippon-Australia Rela[ti]ons Agreement, was scheduled [to] have been signed in 1973 but [be]came bogged down over [ec]onomic provisions. The treaty [ai]ms to formalise international [an]d regional co-operation, trade [an]d cultural relations between [th]e two countries.

A major stumbling block was [th]e wording of a clause granting [ea]ch country "virtually" most [fa]voured nation status, a source said.

Meanwhile in Canberra, according to preliminary estimates by the Statistics Bureau, the rate of growth of wage costs has slowed.

Average weekly earnings per employed male unit fell from A$175.80 in the December quarter to A$165.80 in the March quarter.

In seasonally adjusted terms, however, March quarter earnings were A$2.40 higher than in the December quarter. That quarter's earnings increased by A$4.80 over the preceding three months.

The anual rate of increase has declined each quarter since the December quarter 1974 peak of A$27.90 until this latest levelling off.

Agencies

Growth checked in Kenya

BY OUR OWN CORRESPONDENT NAIROBI, June 10.

[K]ENYA'S gross domestic product [at] constant prices increased by [on]ly about one per cent. in 1975, [ag]ainst 4 per cent. in 1974, the [M]inister for Finance and Plan[ni]ng, Mr. Mwai Kibaki, said here [to]-day. He was introducing his [M]inistry's annual economic sur[ve]y, ahead of his Budget which [is] to be presented on June 17.

Mr. Kibaki, however, forecast [th]at the GDP at constant prices [th]is year will increase by between [fo]ur and five per cent.—although [th]is will depend on farming [ar]eas receiving adequate rain for crop and livestock production.

The balance of payments deficit was reduced from 3,300m. shillings in 1974 to 1,540m. shillings in 1975, and a further reduction in the deficit is expected this year from import restrictions and the limiting of Government spending.

More emphasis is being placed on capital expenditure, and this is likely to continue for the next year. The result, Mr. Kibaki said, will be to place Kenya in a favourable position to participate in the returning prosperity now materialising.

Mauretanian raid deaths

BY EIRENE FURNESS ALGIERS, June 10.

[M]AURETANIAN President [M]okhtar Ould Daddah's palace at [N]ouakchott was among buildings [d]amaged by Tuesday's Polisario [F]ront attacks on the Mauretanian [ca]pital.

[M.] Salem Ould Sadek, Information [M]inister of the Saharan Arab [D]emocratic Republic, said in [A]lgiers that the West German, Spanish and American embassies and the Nouakchott radio station had also been damaged and there had been casualties among the President's palace guard.

Reuter adds from Nouakchott: The Polisario leader Sayed el Wali, was killed yesterday in a skirmish with Mauritanian forces, official sources said to-day.

Iran cuts price of heavy oil

Iran yesterday cut the price of its heavy crude oil by 5-7 cents a barrel, a spokesman for the National Iranian Oil Company said, according to a Reuter report from Tehran.

The reduction was in line with decisions taken by Ministers of the Organisation of Oil Exporting Countries (OPEC) at a meeting in Bali last month, he said.

Kuwait reduced the price of its heavy crude oil by 7 cents a barrel to $11.23 on June 8, and on the same day, Libyan Oil Minister Ezzeddin Marbrouk said his country planned to raise its crude oil prices

Brunei assets

Brunei is likely to withdraw half its Brunei$2bn. (£400m.) invested in sterling assets, Brunei's acting State Finance Officer H. C. Williams said yesterday. "With the pound sterling down one is encouraged to buy other currencies," he said.

Witness dies

Japanese businessman Taro Fukuda, regarded by Government prosecutors as a major witness in the Lockheed bribery scandal, died in hospital to-day of a liver disease, aged 59, reports Reuter from Tokyo.

CHINA AFTER THE RIOTS

A tale of Chou En-lai's last will

BY COLINA MacDOUGALL

THE CHINESE have swept up most of the outward signs of trouble, yet the April riot in Peking provoked a surprising amount of echo in the provinces. The Press may seem united in singing the praises of the Cultural Revolution and damning capitalist-roaders, but there is obviously a degree of division in the country unheard-of since the late 1960s. The important issue now is whether the Left is strong enough to alter policy in the teeth of nationwide opposition.

Since early April, about half the provinces have officially reported violence, robbery and sabotage, including an episode in the important railway city of Chengchow where a government official was beaten to death. In Hopei province there was looting of grain and rifles. Subversive posters and handbills were common. The country was buzzing with rumours, including a persistent story that Premier Chou En-lai had given a warning before he died against any further Cultural Revolutions.

Railway transport was upset because of factional strife. Immediately after the Peking demonstration, Nanking station was plastered with posters attacking the late Premier Chou's critics. Visitors to China in April said that trains were delayed because of meetings and disputes. In Chengchow and Sian government officials helped to service locomotives and to handle freight to ease the strain.

The distribution system seems to have been thrown into disarray. Food was so short in some places that people had to queue for their rations. Technical troubles last February at Taching, China's star oilfield, caused hitches in the supply of kerosene.

Sabotage

Half a dozen provinces have reported "counter-revolutionary" activity, such as the putting up of posters or the sending of anonymous letters. Warnings of "sabotage" come from many more. Peking radio alleged that class enemies had (unsuccessfully) tried to persuade the military that "the People's Army should be on the people's side." The rumour-mill, busy at any time in China because of the lack of reliable news, has been working overtime. The authorities have obviously been deeply alarmed by the stories that were getting about after the "Tienanmen Incident,"—the riots in Peking during April.

The most damaging rumour, which several provincial radios and the party journal Red Flag have already denied, is that Premier Chou gave his wife a deathbed last will and testament to distribute to the party Central Committee advising them to beware of any further Cultural Revolutions. A recent denial of this story was also issued to a group of visiting Japanese. But the "fabrication" of bogus "instructions from Chairman Mao," "talks of central leaders," and particularly "the premier's will" have spread far and wide. Chengtu radio recently confessed that they have done a great deal of harm.

The Ministry of Public Security sent a man to Chengchow to investigate the riot there. Three weeks after the event he apparently had not caught the culprits as they were still identified in the Press as the two "counter-revolutionary elements" wearing a brown jacket and a pair of glasses respectively.

So far the situation is more or less under control. Provincial leaders have turned out in force at rallies, presumably to give an impression of solidarity. But it can surely be skin deep only. Although a provincial official at Hangchow (where there were prolonged labour troubles last year, ended only by sending troops into factories) is so far the sole voice attacking "interference from the Left" as well as from the Right, there must be many who agree with him.

In the provinces the number of officials rehabilitated after disgrace during the Cultural Revolution is huge. They are not likely to sympathise with more destructive radical movements. Already the existence of uneasiness among the military has been suggested by a reshuffle of district commanders.

None of this is to say that former Vice-Premier Teng still commands wide support in the provinces. The feeling is not so much for him, as it is against his enemies, who looked like reversing the practical policies of the much-respected Premier Chou behind a smoke screen of ideology. While Teng may have been more tactless than Chou, he was no further to the Right. In the heyday of Premier Chou's power in 1972, the Chinese Press was advocating material reward for efficient workers in a manner fit to make Chairman Mao's hair curl.

Ever since the Peking riot China-watchers have been arguing about whether the rise of the Left means that the radicals are strong enough to alter policies. Obviously they are now able to resist the changes in educational policy which Teng is alleged to have proposed. Much more immediate, though, is the question of alterations in the current five-year plan, in the use of resources and in the role of foreign trade.

The evidence is still contradictory. One the one hand, in recent weeks references to Premier Chou's plan for rapid two-stage industrialisation have been dropped. So has mention of agricultural mechanisation, which was the subject of an important conference last September. The Planning Minister, Yu Chiu-li, has only rated one mention since Premier Chou's funeral, and that was in a non-official capacity. On the other hand, the Chinese continue to say publicly that there will be no change of foreign trade policy. Their purchases of complete plant and other technology are soaring. There is no change of their attitude to buying on supplier credit, and they appear uninhibited about their trade deficits of the past two years. This suggests that the Foreign Trade Ministry is facing the future with confidence.

Motives

For the outsider, disentangling political from practical motives in the running of the economy is not easy. The oil industry, which was to provide exports to pay for imported technology, has had production and marketing as well as political problems. The Minister for the oil industry, Kang Shih-en, has vanished. Chinese crude is unattractive to foreign purchasers because of its waxiness and low flashpoint. Treating it needs special equipment and therefore extra investment. The Chinese have had a hard time recently trying to sell it. Furthermore in February some mysterious technical trouble at Taching caused heavy reductions of oil shipments to Japan. On top of these practical problems come the ideological complaints that former Vice-Premier Teng wanted to export Chinese raw materials to import foreign technology.

EUROPEAN NEWS

Spanish Right welcomes delay

By Roger Matthews

MADRID, June 10.

MORE EXTREMIST members of the Spanish Right wing were elated to-day at having at least temporarily stalled the Government's plans to legalise selected political parties.

After the Cortes (Parliament) yesterday approved by a substantial majority the Government's proposals for a new law on political associations, the deputies refused to pass the consequential changes to the penal code and had them sent to a special committee for partial redrafting.

As a result, Spain has a law which permits political parties and a penal code which forbids them. Government officials described this as no more than a constitutional hiccup which would be rectified within a fortnight. Even so, it has embarrassed the Government which imposed a guillotine on discussions in the Cortes because the passage of the legislation was considered to the "urgent."

Apart from objecting to the penal code changes on the grounds that they were too vaguely worded, deputies were also strongly influenced by the news that a local head of the National Movement, still the country's only permitted political body, had been assassinated in the Bilbao suburb of Basauri.

Tension grew in the Cortes to such an extent that the Justice Minister, Sr. Antonio Carrigues, reminded members that the law permitting political associations did not mean that the regime was dropping dropping its guard against terrorism.

Police have launched a large-scale hunt in the Basque provinces for the killers and are understood to have arrested several people and searched between 300 and 400 homes. They claim that the killing was the work of the Basque separatist group ETA.

Cut likely in German rail deficit

By Guy Hawtin

FRANKFURT, June 10.

THE BUNDESBAHN, West Germany's State-owned railway system, is expecting to cut its losses this year. But despite heavy federal subsidies, the deficit is still forecast to total a breathtaking DM4bn. (£888m.).

Last year the Bundesbahn lost DM4.29bn. (£953m.) at to-day's exchange rates). But this year's more cheerful prognosis comes about as a result of an increase in both freight and passenger traffic, as well as the implementation of rationalisation.

The Bundesbahn, often put forward as a model European railway system, has for long operated at a heavy loss. In 1974 the deficit would have been even higher had it not been for Government subsidies of DM10bn. (£2.22bn.). The 1975 subsidy totalled DM10.9bn. (£2.42bn).

Dr. Wolfgang Vaerst, president of the Bundesbahn, said to-day that freight traffic during the first half year was slightly above target. It stood at an average of 7 per cent. above the 1975 level. Passenger traffic had risen by 2 per cent. on the previous year's performance.

The improvement in results this year, he said, came about as a result of the implementation of rationalisation measures and the economic upswing. Pay costs were expected to rise by DM700m. in 1976 but it was hoped that these could be contained

Surprise MBFR proposals offered by Warsaw pact

BY PAUL LENDVAI

VIENNA, June 10.

THE WARSAW Pact to-day put forward what a Soviet spokesman called "important new proposals" in a surprise move at the deadlocked 19-nation East-West force reduction talks.

Nato's immediate response was cool, however, according to Western sources, since the initiative spelt out by the Soviet chief delegate, Mr. Oleg Chlestov, had not changed the gap between the positions of the two sides.

The U.S. chief delegate, Mr. Stanley Resor, said the Soviet statement was unsatisfactory, but will be studied by the West.

Neither Soviet nor Nato spokesmen would elaborate on the details of the initiative, because, in theory at least, the talks are confidential. But the Soviet reference to making the talks "more concrete"—and repeated Western complaints about the Warsaw Pact's reluctance to produce figures on forces and armaments—led observers here to believe that Mr. Chlestov must have presented at least some data.

The official Nato spokesman, Mr. De Vos, of Holland, complained in April, that although the West produced figures more than two years ago, the East challenged them but declined to produce its own or to specify to what extent it thought Nato figures were wrong.

Although it is not known what information the Soviet ambassador has produced, it evidently has not met any of the basic Western requirements.

Nato last December made an offer to reduce U.S. nuclear strength in Europe by about 1,000 warheads, 54 Phantom aircraft and 36 Pershing missile launchers, in exchange for the withdrawal of a Soviet tank army.

The Warsaw Pact proposals put forward in February were publicly criticised as "disappointing" by Nato because despite the East's great superiority in ground forces and tanks, they still aimed at maintaining the disparities. In any case, it is certain that the new Warsaw Pact initiative goes nowhere near meeting the Western demand for asymetrical cuts, in order to reach a common ceiling of ground and air force manpower.

It remains to be seen whether to-day's Soviet move will really make the talks "more concrete." A Warsaw Pact delegate is scheduled to speak at next week's plenary meeting so may yet provide further clues as to its real intentions.

Tug-of-war in the Baltic

BY HILARY BARNES

COPENHAGEN, June 10.

THE CREW of a Danish naval launch yesterday won a tug-of-war against an East German patrol boat in the Baltic. The object of the struggle was a Danish torpedo which the East Germans tried to seize.

The torpedo was fired by a submarine on an exercise about 20 miles west of the island of Bornholm. A minesweeper was sent to retrieve it when it surfaced, but the East German boat got there first, according to a statement by the defence command. The minesweeper, however, sent out a fast launch which succeeded in getting between the torpedo and the German ship and prevented the Germans from hoisting the torpedo on board.

Foreign Minister K. B. Andersen to-day called the East German ambassador to him to protest against the German naval action.

An officer taking part in the exercise said there were 10 Warsaw Pact vessels observing it. "I don't know why there were so many. One would have done just as well," he said.

Nato warning system studies

BY MALCOLM RUTHERFORD

BRUSSELS, June 10.

NATO Defence Ministers agreed here to-day that studies of the multi-billion dollar airborne warning and control system (AWACS) should be continued with a view to a final decision being taken in December. But there is still no great optimism that the system will be adopted, at least in its original comprehensive form.

The studies over the next few months will concentrate on the number of aircraft required, the overall cost of the project and cost-sharing between member countries, as well as the industrial arrangements which would allow work on the basically American system to be subcontracted to Europe. There will also be further studies, in which Britain has a particular interest, on the most desirable configuration of the aircraft.

Support, in principle, for AWACS to-day came from most members of the alliance. Apart from Britain and the U.S., Canada, West Germany and Norway were all said to have come down broadly in favour, but none of these latter countries was ready to make any financial commitment and the Germans appear to have failed to set any part of their defence budget aside for it.

The only European country indeed to have made some provision for an airborne early warning system in future defence spending estimates is Britain, but the British have a special problem in that they are already funding an alternative programme of their own, the Nimrod Mark 2.

This was one reason why Mr. Roy Mason, the British Defence Secretary, told the Nato meeting to-day that the decision on AWACS would have to be taken by the end of this year at the latest. Continuance of the Nimrod programme will shortly require a large injection of funds which the British Government would prefer to devote to AWACS.

It already seems clear, however, that even if Ministers decide to go ahead with the AWACS programme next December, it will be on a more modest scale than originally envisaged. Plans for a fleet of 36 radar-carrying converted Boeing 707s will almost certainly be pared down to something between 16 and 24.

The effect of the reduction would be that the system would no longer be able to provide round-the-clock surveillance of Warsaw Pact activity from the northern to the southern flank. Instead it would have to choose the areas thought to be of greatest interest.

Three versions of the converted 707s are under consideration. The one which most appeals to Britain is especially equipped for maritime reconnaissance though other countries are more interested in reconnaissance over land.

Even the minimum price per aircraft, quoted in yesterday's Financial Times as $65m., is now said to be on the low side and, in fact, the estimates could grow almost indefinitely, depending on how much equipment is to be included.

Ministers meanwhile received a new report on the growing strength of the Warsaw Pact from Admiral Sir Peter Hill-Norton, the chairman of the alliance's Military Committee. Special emphasis was given to the growing ability of the Soviet Union to project its power on a world-wide basis and its improved efficiency, as shown by exercises, in quickly bringing forces from Soviet Russia into Central Europe with relatively little apparent build-up. There is also some feeling, however, that the Atlantic alliance has been unduly playing down its own strength.

Italian prime rates up

BY ANTHONY ROBINSON

ROME, June 10.

THE ITALIAN Bankers Association, Assobancaria, to-day officially announced a further rise in the prime rate from 18 per cent. to 19.5 per cent. effective immediately. The decision reflects the increasingly tight liquidity squeeze connected both with the import deposit scheme, which obliges importers to deposit 50 per cent. of the cost of their imports in a three month non-interest bearing account with the Bank of Italy, and a further drain, estimated at around Lira1,500bn. deriving from personal income tax payments under new tax rules.

Liquidity is destined to fall further, meanwhile, following the Bank of Italy's decision to oblige commercial banks to step up their obligatory bond purchase from 30 per cent. to 42 per cent. of new deposits. The increasingly severe credit squeeze, which has accompanied the series of measures taken since January 20 to support the lira, is putting a big question mark over the duration of the industrial reviva which has been evident since last October.

Reuter adds: The ruling Christian Democrats, weakened by new allegations of Lockheed bribe payments, admitted to-day that they may lose their electoral showdown with the west's largest Communist party.

Christian Democrat Party President Amintore Fanfani, appealing for wider support, said that a Communist-Socialist bloc may win the June 20 national elections unless a substantial segment of the neo-Fascist Italian Social Movement (MSI) vote swings over to his party.

"The fate of Italian democracy is being decided on a razor's edge," Sig. Fanfani said in an interview with the news magazine Gente. "I am firmly convinced that without a flow of former MSI votes toward Christian Democracy or other certainly non-Communist parties, is is very likely that the left wil win an absolute majority in Parliament."

Dutch plan to cut public spending

By Michael Van Os

THE HAGUE, June 10.

THE DUTCH Government has presented to Parliament here proposals aimed at reducing the growth of public expenditure by nearly Fls.8.8bn. by 1980. New plans to stimulate investment and to restructure industry were also unfolded here tonight. Of the proposed savings, the brunt will be borne by social security payments, including pensions, of nearly Fls.5.8bn. The rest of Government spending will suffer a relatively minor cut of some Fls.3bn.

A White Paper setting out the so-called 1 per cent. operation — reducing the growth of the public sector as a proportion of the national income to around 1 per cent. a year—was presented here by several Cabinet Ministers, including Premier Joop Den Uyl. A separate White Paper on the future structure of Dutch industry will be published tonight by the Economics Minister. It will include a range of measures to help stimulate corporate investments selectively directly and through wage cost subsidies as a means of improving the economic structure and to improve employment in the longer term.

Premier Den Uyl said at a Press briefing here that the plans were not only designed to help cut inflation and raise employment, but also to stop the decline of the real growth of the national income and to safeguard the country's social services which are said to be among the most generous in the world. He said this package was being seriously threatened by the fact that there are so many inactive members of the population, a higher proportion than in almost all neighbouring countries. The general aim would be to limit the number of people eligible for social security payments rather than cut down the services.

The 1 per cent. operation will start on January 1, 1977, and in that year alone, the earlier planned growth of general Government expenditure will be cut by nearly Fls.1bn. and that on social security payments by well over Fls.1.5bn. General Government spending cutbacks cover many areas, with the most pronounced cuts in education economic affairs, housing, transport and

'Lockheed' reporter injured in Holland

THE HAGUE, June 10.

POLICE to-day interviewed British journalist Tom Ravensdale who, according to his son, John, was run down by a car and robbed of documents shortly before an appointment with an official investigating bribery allegations against Prince Bernhard of the Netherlands.

Mr. Ravensdale, 39, who was knocked down early yesterday near his hotel here, went to police headquarters shortly after being released from hospital, where he had been treated for concussion and facial injuries.

"At this stage we are still treating the case as one of robbery with violence," a police spokesman said. "Mr. Ravensdale is being questioned about his son's statements."

He gave no details about the questioning but said Mr. Ravensdale was not being held and was free to leave Holland if he wished.

John Ravensdale told police that two men in a dark-coloured car had been driving slowly behind them for some time, then suddenly accelerated and knocked down his father.

One of the men sprang from the car and grabbed his father's briefcase containing documents, tape cassettes and personal belongings, John Ravensdale said.

The police spokesman said John had reported the incident himself. He originally told the police, the spokesman added, that he and his father were only on holiday in Holland. "It was not until yesterday afternoon that he told us that his father had an appointment with the Commission (investigating the allegations against Prince Bernhard)," he explained. Both men had booked into the Grand Hotel Central on Tuesday under the name of "Jones."

The spokesman said officials only knew that Mr. Ravensdale was a journalist from London but did not know for whom he wrote. Mr. Ravensdale, he went on, had an appointment later yesterday morning with Mr. Jan Kist, a secretary of the Investigating Commission. The Commission was set up by the Dutch Government on February 10 to investigate the allegations that Prince Bernhard received $1.1m. from Lockheed to boost company sales. The inquiry is expected to be completed later this month, and Prince Bernhard is known to have welcomed it.

A Commission spokesman said Mr. Ravensdale had approached the panel to offer information concerning reports in a British newspaper about a payment to the British section of the World Wildlife Fund in 1969. Prince Bernhard is president of the Fund.

Reuter

The UN mandate in Cyprus has been renewed but otherwise the island's problems remain unsolved. David Buchan reports on a visit to Nicosia

Isle of many deadlocks

THE UN Secretary General Dr. Kurt Waldheim reported on Tuesday that the mandate of the UN peacekeeping force in Cyprus had been renewed for another six months. The renewal was not controversial; all parties to the Cyprus dispute wanted it. But the talks between the Greek and Turkish communities on the island under the UN aegis are deadlocked, and there is no sign of the "meaningful and productive" assurances that Dr. Waldheim has set as a condition for reconvening them.

The Turkish Cypriots, who now sit on nearly 40 per cent. of the island and therefore have less need for the intercommunal talks to succeed profess their desire for them to resume. The Greek Cypriots, who with nearly 200,000 refugees from the northern Turkish sector are the dispossessed, say that the talks so far have only maintained "the illusion of progress where none exists."

Only on the strictly humanitarian level are the two communities' negotiators likely to resume contact soon. The Greek side wants to take up the matter of 2,200 Greeks who are still unaccounted for since the 1974 war, the fate of the 7,000 Greeks still left in the north, and the provision of doctors and teachers for their enclaves.

So far the Turkish Cypriot president, Mr. Rauf Denktash, has stood rock-like on his demands for a weak central government giving most of its power to his new-fledged "Turkish Federated State of Cyprus" and to a Greek Cypriot counterpart, with only minor territorial adjustments between the two "states." But a series of Turkish Cypriot elections now in progress have produced a few dents in his political standing, some of which could have considerable implications for his hard line towards his Greek neighbours. In the first of these polls, the municipal elections held on May 23, Mr. Denktash's National Unity party won only seven of the 11 municipalities, losing both the Turkish half of Nicosia and Kyrenia, though retaining Famagusta.

Discontent with the Denktash regime centres principally on the way he is said to have directed the plums from the "Greek spoils"—abandoned farms, houses, and factories—to his political and personal cronies. Turkish Cypriot newspaper cartoons freely lampoon the "Denktash fatcats," who, the opposition parties, maintain, have often benefited at the expense of the 60,000 or so Turkish Cypriot refugees from the south. Maladministration is another charge being laid at Mr. Denktash's feet. Prices, though now levelling off, are well above those in the Greek Cypriot south. The economy of the north—and an inspection of Turkish Nicosia confirms the impression—is said to be picking up at last. But some sectors, like tourism for which the abandoned hotels in Kyrenia and Famagusta now provide ample resources, have failed to measure up to the predictions of Mr. Denktash's ministers.

Nor is the relationship between the Turkish Cypriots and the settlers from the Turkish mainland all sweetness and light. One Turkish Cypriot disarmingly described to me the sort of mainland Turk they were getting as "stupider and lazier." The numbers here are important, and difficult to check. Officially the Denktash regime admits only to the presence of a few families of Turkish soldiers who were killed in the 1974 war and who were offered Cypriot land, and to a fluctuating number of some 5,000 to 10,000 migrant workers from Turkey. The Greek Cypriots claim that upwards of 50,000 settlers from the mainland are now "colonising" the north. Independent sources say that there are from 10,000 to 20,000 permanent settlers. But this is enough to create tension, considering that the influx of Turkish Cypriots from Turkey, Britain, Australia and elsewhere is put at 8,000 at the most.

Some of the discontent is clearly not of Mr. Denktash's making. The north has had far less outside aid, even pro rata, for its refugees than the south had had. In addition, the reluctance of many of the Turks to develop the assets left by the Greeks is explained by the fact that the Denktash regime for laudable reasons, is not handing out new title deeds—or at least not just yet. None the less, Mr. Denktash is running scared in the legislative and presidential elections to be held on June 20. Most interestingly of all, his chief opponent in the presidential race, Mr. Midhat Berberoglu, has come out for "Cyprus for the Cypriots" and against a unilateral declaration of indepndence by the new Turkish state which would partition the island.

Mr. Berberogluc is unlikely to topple Mr. Denktash. But should he and his Republican People's Party (recently disavowed by Mr. Bulent Ecevit's mainland Turkish party of the same name) make a reasonable showing on June 20, then there might be a softening of the Turkish Cypriot line once the inter-communal talks with the Greek Cypriots resume. But as Mr. Glafkos Clerides, the leading Greek Cypriot "moderate," points out, this hope depends on Mr. Berberogluc campaigning on concrete, conciliatory proposals

Archbishop Makarios and (below) Rauf Denktash

for treating with the Greeks. So far he has not developed such a platform.

While there is a glimmer of a softer line on the Turkish Cypriot side, the reverse seems to be taking place in the south. Mr. Clerides has been replaced as the Greek Cypriot negotiator by Mr. Tassos Papadopoulos, a man who is more to the liking of President Makarios. After an attempt had failed to remove Mr. Clerides from his post as speaker of the House of Representatives, the Archbishop called elections for October. And, amid speculation that the purpose of the elections was to clip Mr. Clerides' majority through a pro-Makarios coalition of Socialists, Communists and a new party set up by a former Foreign Minister, Mr. Spyros Kyprianou, the polling date has now been advanced to September 5. The main issue will be Archbishop Makarios' proclaimed "long struggle" against Turkish Cypriot intransigence. The long struggle basically is an attempt to outflank the Turkish Cypriots by putting pressure on their masters in Ankara through the U.N., the U.S., the EEC, and any other body that will listen to Archbishop Makarios. To Mr. Clerides, "the long struggle is not a policy if it just means going before the U.N. once twice a year, and putting case before a few non-aligne conferences." It may becon a necessity, Mr. Clerides co cedes, but a necessity that ca only be tested by a resumptio of the intercommunal talks.

What both the Makarios an Clerides factions agree on is t nature of the obstacle that Greek Cypriots face: the refus of the Turkish Cypriots to st their total price—what powe to give to a central Governme the size of the two zones States, the freedom of mo ment between those zones States and the right of reside of the one to hold property the other zone. The Gre Cypriots, for instance, mig agree to the Turkish Cypri keeping 30 per cent. of the la if they won strong powers the central Government some freedom for Greeks operate in the Turkish secto

Time is not on the Gr Cypriot side. Nowhere are leaders more conscious of t than on the matter of the re gees. Traditional Greek ent prise, government efforts, humanitarian aid from abr (to the tune of £17m. this ye have gone far to make refugee card unplayable. Ma of the refugees are still in sha and, in one particularly salubrious instance, 1,400 crammed into a small pack factory. But the 14,000 st under canvas are to get a ro over their heads by the end the year.

Jobs are more difficult create, especially for those none but farming skills w there is little land to give th Where a few years ago there w an overall labour shortage there are 18,000 unemployed 8.5 per cent. of the total wo force. The Makarios Gove ment is unwilling, too, to courage permanent emigrati as a solution when Turks being brought into the nor though some refugees have the island, including a wh village from the Karpas pen sula, the north-eastern Cypr "panhandle," which has camped en bloc to Southampto But short term contracts ha been arranged for many refuge in Bulgaria and Czechoslovak and the economy at home is pi ing up.

"I should not want to ke 100,000 refugees dispirited an demoralised just for the world Press to look at," Mr. Papad poulos, the Greek Cypri negotiator says. In any case t refugees are not all have-no like their Palestinian counte parts. Many are middle class even those still in the cam often have a couple of cars, tractor or a lorry parked outsid their tents. Nor are the cam breeding grounds for Cypri "fedayeen." A body fairly r cently set up calls itself t Pancyprian National Popul Liberation Front, but it is fact only the youth movement the parliamentary Socialists.

In fact there has been serious guerilla activity at against the Turks in the no For one thing, the Turks ha so grouped their people in t north that Greek guerillas wou have, in Maoist terms, friendly "sea to swim in" as course the Greek EOKA mo ment did have against t British in the 1950s. For other, the Greek enclaves in t north could easily be used f reprisals by the Turks. Wheth there will be a refugee "vote in the September elections is a other matter. But such is t unregimented nature of t refugees that none of the Gree Cypriot parties is confident claiming their vote for its ow

The Green Line, as the U line separating the two co munities is called, is sleep peaceful for the mome Several UN soldiers I saw we plimsolls and spent their lo sentry hours reading comics. B either side of the line distru and hatred linger unabated. O of the sorest points to the Gree is the Turkish sacking of t churches in the north, a poli which some Turkish Cypriot openly concede. Mosques in t south have not received qu the same treatment, thoug when I visited the burial pla outside Larnaca of the Prophet aunt, one of the more sacr shrines of Islam, I was sharp told by the Greek guide not bother to take off my shoes the traditional mark of respec

Agriculture fund nears target

BY ANTHONY ROBINSON

ROME, June 10.

THE UNITED Nations Secretary-General, Dr. Kurt Waldheim, to-day opened an 80-nation conference aimed at creating a new billion dollar international fund for agricultural development (IFAD). It represents a joint effort by Opec and developed countries to channel concessionary funds into raising food production in the developing world.

The Opec countries have already pledged $400m., a sum which Opec fund director-general Ibrahim Ahihata, of Kuwait, pointed out is disproportionately high both in relation to GNP and to the share of world wealth of the Opec countries. The U.S. has pledged $200m., provided total pledges reach $1bn. So far, the developed countries have pledged $470m. but both Italy and France are expected to pledge $25m. each to-morrow and conference sources are confident that the $1bn. total will be met.

Another problem to be faced is that of the status of Israel. Israel considers itself a developing country, but Arab members of Opec are reported to be reluctant to see funds channelled there.

The creation of the fund was one of the major proposals which emerged from the World Food Conference in Rome in November, 1974.

The principal aim of IFAD is to set up a channel of soft loans and grants to finance basic agricultural improvements intended to eliminate the gap between the 2.4 per cent. growth in world agricultural output over the first half of this decade and the 4 per cent. annual target set by UN development decade economists. This is considered the minimum necessary to stave off the sort of periodic food crises which led to the setting up of the World Food Council.

The problems of food security meanwhile, will be discussed by Ministers at the second session of the World Food Council which takes place here on June 14-16, immediately after the IFAD meeting. They will discuss a three-tier structure to even out short-term fluctuations and emergencies of a Bangladesh nature.

HOME NEWS

Sullom Voe oil terminal deal

By Ray Dafter, Energy Correspondent

THE Shetland Islands Council and the oil industry have agreed to go ahead with the development of the £400m. Sullom Voe oil terminal on the basis of a compromise deal.

Under an agreement reached yesterday, the oil companies will be allowed to store oil in surface tanks rather than in caverns, but they will use only one unified treatment terminal instead of two.

The companies, which had been seeking surface tanks for cost and technical reasons, had originally planned to build two terminals: one to handle oil through the Brent pipeline system and the other for Ninian oil.

The Sullom Voe Association, which comprises industry and council representatives, said the treatment facilities would be designed to permit joint usage. It is understood that the terminal will include four oil stabilisation units and up to three gas treatment units, fewer than originally planned.

The association said that the surface tanks would be erected in the Calback area. The islands council will specify the way the safety "moat" is constructed around the tanks and the manner in which the reinstatement of land is accomplished.

Hurdles

Yesterday's agreement cleared "major hurdles" from progress towards Britain's largest oil terminal, the SVA said. It believed that the facilities could now be built to meet the development programmes of oilfields in the East Shetlands Basin.

The oilfields include some of the biggest in U.K. waters, among them Brent, Ninian and Thistle.

Mr. Ian Clark, the council's chief executive, commented yesterday: "The arrangement which has been reached is evidence of what can be achieved when people sit down to rational discussion among themselves rather than indulge in emotive statements to the media."

There are signs that another dispute involving the council and the oil companies may soon be settled. Mr. Peter Brackley, general manager of BP's environmental control centre, has resigned as chairman of the Sullom Voe Environmental Group. Mr. Eric Cowell, scientific adviser to BP's public affairs department, has similarly resigned as the group's secretary.

The action was taken to emphasise SVEAG's independence, a statement said. New officers are to be elected from members of the group independent of the council and the oil industry.

The council recently left the group because it felt the organisation was too heavily weighted in favour of the oil industry. The council will now reconsider its position.

Large companies improve their cash position

BY MARGARET REID

LARGE companies further improved their cash position in the first three months of this year, continuing the recovery from the exceptionally tight liquidity squeeze at the end of 1974.

In the first three months of this year there was a rise of £535m. in net current assets—short-term holdings of bank balances, Treasury bills and so on, less short-term borrowings—of more than 200 companies surveyed by the Department of Trade.

This was an increase in cash holdings at a greater rate than the average of £325m. a quarter last year, according to to-day's issue of the official journal Trade and Industry.

Marked pace

The latest statistics also show that the liquidity ratio of the companies — measuring their current assets as a percentage of their current liabilities—exhibited yet a further improvement in January-March this year. It moved up to 89 from 74 in the previous quarter and a low level of 47 in the last quarter of 1974.

Thus the trend of improved cash holdings of the industrial and commercial concerns surveyed has continued at a marked pace since late 1974, when industry's liquidity was under unusually tight pressure.

The fall in share prices to their lowest level for 20 years occurred just after the end of 1974, reflecting the blow which tax and price control measures had been dealing to profits, as well as the operation of the severe credit restrictions in 1974.

It was the cash crisis, with risks of bankruptcies and unemployment, towards the end of 1974 which led the Chancellor, Mr. Denis Healey, to introduce a "mini-Budget" in November of that year to alleviate money famine.

Credit curbs were eased, relaxations were introduced in company taxation, and new measures, such as the bank-backed Finance for Industry's £1bn. medium-term lending facility were launched.

The result has been continued improvement in the cash position of companies over the past 15 months. This has been further encouraged by reviving profits in many areas and by companies' reluctance, in conditions of recession and high inflation, to lay out funds on new capital investment, so that they are husbanding money.

In the field of manufacturing industry alone, the improving cash trend has been still more marked. Net current assets of concerns surveyed in this sector rose £243m. in the first quarter of 1976—accounting for almost all the improvement for the wider range of industry covered in the study.

The rapid upsurge in money assets compared with short borrowings has been reflected in a sharp climb in manufacturing companies' average liquidity ratio from 28 in the last quarter of 1974 to 72 in the first three months of this year.

Trade and Industry also notes interesting points about changes in the distribution of the short-term cash assets and liabilities of the companies reviewed. Main increases in the first quarter of this year were in bank deposits, which rose £95m., and holdings of British gilt-edged stock, up by £41m. to £216m., the highest level for holdings of this kind since surveys started in 1970.

Borrowing from the banks, on the other hand, tended to fall back and at the end of the quarter borrowing from the big clearings banks was 44 per cent. of the companies' total liabilities.

Steel figures show recovery

By Adrian Hamilton

THE U.K. steel industry is on the way to recovery with the latest production figures showing a sustained rate of increase well above the expectations of many earlier in the year.

Production levels, at 466,300 tonnes a week last month, are still some way short of the peak levels of 1973, however, and there remains considerable uncertainty in the industry over the pace of growth in demand over the rest of the year.

The latest figures on output, published jointly by the British Steel Corporation and the British Independent Steel Producers' Association, show that average production levels grew at a steady 1 per cent. between April and May.

Destocking

At more than 456,000 tonnes a week, production was 19 per cent. higher than in January, when the recovery was just beginning, and as much as 38 per cent. higher than the same month last year, when output dived to one of its lowest levels since the war.

The extent of this year's recovery, therefore, has to be set against the extremely low levels prevailing in the latter part of last year.

To some extent they have also been boosted by an end to destocking in certain sectors, with a resulting short-term boost as output rises to match more nearly final demand. And there has been further evidence of increased buying in anticipation of price increases.

Even accounting for these factors and the gloomy emotions of some of the steel producers, there can be little doubt that the recovery in the first half of the year has been a sharp one.

Production levels are back up to the figures of the winter of 1974-75, just before the recession really hit the industry.

Clothing makers appeal for more control on imports

BY RHYS DAVID

MANUFACTURERS ARE appealing to the Government for more controls on the import of clothing from low-cost sources.

The Clothing Manufacturers' Federation, representing mainly the menswear trade, met yesterday with an all-party group of 32 MPs and is hoping a motion calling for a reduction in imports back to 1973 levels will be set down for debate in the Commons.

The representations are being made following evidence that despite measures taken by the Government to limit the flow, imports have been continuing at or above last year's high levels in the early months of this year.

The federation claims that because of heavy pressure from imports over the last few years the industry has been weakened seriously and may be unable to cope with increased demand when the recession ends unless action is taken.

Damaging

As a result, it states, there could then be a further substantial inflow of imports further damaging the industry and balance of payments.

Figures released by the federation show that imports of men's suits in the January-March period this year totalled 740,569, valued at £10.2m., compared with 2.5m. suits valued at £34m. in 1975.

Jacket imports totalled 1.79m. (£8.2m.) in the first quarter compared with 5.6m. (£26.3m.) in 1975, and trouser imports 2.69m. (£7.8m.) compared with 10.6m. (£26.8m.) for the whole of last year. Imports of jeans totalled 18.7m. last year (£30.6m.), and in the first three months of this year amounted to 5.4m. (£10.8m.).

Mr. Richard Camrass, federation chairman, announcing the new campaign in London yesterday, said the industry could not be expected to go ahead with an investment programme unless it had a clearer idea from Government of the size of market it was allowed to hope for.

Between 1973 and 1975 the industry, which employed about 800,000 people, had lost 165,000 jobs. In men's outerwear the total was 8,500 jobs lost but there was every sign that the decline was gathering pace.

Value of clothing imports had risen from £200m four years ago to £505m. last year, and Mr. Camrass claimed importers who had managed to seize a large share of the U.K. market with low prices would be tempted to increase their prices when supplies were no longer available from U.K. sources.

As well as forming closer links with the all-party group, the federation is writing to all MPs drawing their attention to the competition the industry has to face from low-cost imports. The MPs are being asked to support measures aimed at restricting unrealistically priced imports at 1973 levels.

A similar call for restrictions on imports from low labour-cost countries was made yesterday in Manchester by Mr. D. F. B. Parfect, chairman of the Overall Manufacturers' Association.

He said at the association's annual meeting that while there had been a decrease of 1.7m. in the number of overalls imported last year, this had been much more than compensated for by an increase in jeans of 5.3m.

Factory plan for hospital

APPROVAL has been given by the Sefton District Council planning committee on Merseyside for the conversion of the redundant Bootle General Hospital for the manufacture of medical products.

Mast Laboratories of Queensland Street, Liverpool, plans to use the building for offices, laboratories and medical diagnostic products.

Foundry closure rate is slowing

By Kenneth Gooding, Industrial Correspondent

AT LEAST 11 more foundries closed down permanently last year, according to the annual report of the Council of Ironfoundry Associations published to-day.

But this was a marked slowing down of the closure rate of about 40 a year up to 1974. In that year there was a net loss of only 12 foundries.

The industry had feared that the U.K. would follow the U.S. example and suffer major losses because of increasingly stringent clean air legislation and the financial burden this imposes on individual companies.

Even those companies which could afford to any new environmental equipment had little left for new productive plant.

However, the Government's foundry industry aid scheme, introduced in August and which made available up to £25m. of grants, has had a dramatic effect.

More needed

If all the applications in the pipeline are favourably processed by the Department of Industry, all the £25m. will be used and the foundry companies could probably absorb up to another £10m. if made available.

The CFA report shows how the industry suffered in the recession of last year. Total output was just over 3m. tonnes of castings, the lowest annual tonnage recorded since the last war.

After adjustment for the extra week's work last year, it was nearly 8 per cent. down on 1974 and more than 14 per cent. below the 1973 level.

"If there is any consolation to be found, it was in the fact that some countries suffered even more severely from the recession—ironfounding production fell by 13 per cent. last year both in West Germany and France."

Lloyds raises bank charges

BY MICHAEL BLANDEN

ABOUT 600,000 personal customers of Lloyds Bank are likely to be affected by increases in charges announced yesterday.

The bank estimates that after the rises in its tariff, over two-thirds of all its personal current account customers will still be getting free banking.

The new charges are being introduced for the second half of this year after the bank's successful notification to the Price Commission.

They involve a rise in the minimum qualification required to avoid charges altogether and increases in the cost of individual transactions for customers who fail to qualify for free banking.

The bank has taken the opportunity to simplify its personal account tariff, which has been the most complex among the clearing banks, with a sliding scale of rates.

It is also raising charges for some business customers, though these rates will continue to be subject to individual negotiation between corporate customers and their branch managers.

Under the new system, personal accounts will be conducted free of charge if customers maintain an average cleared credit balance of £150 or more during each half year. This compares with the £100 average required under the present tariff.

Allowance

Accounts which do not meet this criteria will be charged at 8p for each debit item, compared with the present sliding scale, which ranges up to a charge of 7p.

These charges, however, will be offset by an allowance, at 4 per cent. a year currently, for the value of any money kept in the account during the half year charging period.

Credit entries will continue to be free, and service charges of 25p or less each half year will be ignored.

Mr. Evan Vaughan, deputy chief general manager, commented: "There has been virtually no increase in our scale of charges since the late 1960's. Indeed, since 1971 increases have been held in abeyance by voluntary agreement and, more recently, have been restricted by legislation." However, rapid inflation had pushed up operating costs by over 80 per cent. just between 1972 and 1975.

Lloyds is the third of the big banks to announce new charges, after Barclays and National Westminster. Midland has also put proposals to the Price Commission and is expected to announce changes next month.

Power boards 'should lose cut-off rights'

BY ROY HODSON

THE POWER to disconnect gas and electricity supplies of consumers who do not pay their bills should be taken from the nationalised industries, says an informal review body set up by Mr. Anthony Wedgwood Benn, Energy Secretary.

Some social agencies welcomed the proposal last night, but British Gas and the Electricity Council said that if the proposal were supported by Parliament the prices of gas and electricity could increase by about 10 per cent.

Mr. Benn said in a written Parliamentary answer yesterday that publication of the report must not be taken as implying a Government endorsement of its recommendations.

His department would seek wide public discussion of the issues raised in the report and, in particular, the vexatious issue of disconnections.

Chairman of the review body was Mr. Gordon Oakes, Parliamentary Under-Secretary, Energy, and the other members were Mr. Jack Ashley, Labour MP for Stoke on Trent, and Mrs. Frances Morrell, senior policy adviser to Mr. Benn. Mr. Oakes called the 10 per cent. price rise warning "somewhat alarmist."

The committee wants bad payers who, under the present system would be disconnected, to be brought before the courts instead, while the gas and electricity undertakings would have the right to instal coin meters in their homes or premises.

The Electricity Council said: "It is our impression that it fortunately does not represent Government policy." The council is challenging the review body to explain why its proposals were not costed in the report.

TUC calls on unions to help save energy

By Our Labour Staff

A STUDY of the effects of abolishing the road fund licence and increasing the tax on petrol to produce the same revenue is called for in a TUC policy statement on energy.

Published yesterday by the Advisory Council on Energy Conservation, the statement suggests there should be more bus lanes in cities and parking restrictions to ease rush-hour travel.

The TUC says it will encourage its affiliated unions to become involved in energy-saving schemes in industry.

"Sloppy practice or the use of an inappropriate technology can be uncovered by trade unionists through direct observation at the shop floor," the paper says.

In addition, trade unionists should have a say in company decisions on energy use.

Supporting the council's recommendation that firms receiving State aid should have to produce an "energy impact statement," the TUC suggests that energy saving should be included in planning agreements.

Builders and private landlords should be encouraged to instal heating systems which, although of high capital cost, are cheaper to run.

No contest in SE elections

By Margaret Reid

NO CONTEST will be necessary before this year's elections to the Stock Exchange Council when 13 vacancies have to be filled, because ten members are standing for re-election and there have been only three new nominations.

It was announced yesterday that Mr. Michael Fisher, of stockbrokers Grenfell and Colegrave, had been nominated by Mr. Nigel Althaus and seconded by Mr. Michael E. H. Gibbs.

Mr. Peter Minchin, of brokers Pidgeon Maguire, has been proposed by Mr. David Forrester and seconded by Mr. John Milln. Mr. Patrick Mitford-Slade, also a broker, had been nominated earlier.

Formal elections to fill the vacancies arising on the 47-man council—where members normally serve for three years—are to take place on June 25. At the same time, two new deputy chairmen, Mr. F. T. (John) Powell and Mr. John Robertson, will also assume office.

Citroen sales campaign offers free motoring

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CITROEN is aiming to increase its sales in Britain this year by between 10 and 15 per cent. with its unorthodox sales campaign offering prospective customers two days of free motoring in the GS model.

The plan is based on a similar campaign run in France over the past two years which has helped the parent Citroen company to lift sales by a similar amount on its own ground.

The U.K. company, which had sales of 22,044 last year, claims an encouraging response, with Citroen's market share edging over the 2 per cent. mark for the first time.

The company's plans come as other Continental car manufacturers show similar signs of digging in solidly in the British market.

Within the past few months three of the big EEC importers—Fiat, Mercedes-Benz and Renault—have opened large computerised centres for replacement parts.

Each represents an investment of well over £1m. in terms of the building, and much more for the replacement parts themselves.

New 'medical HQ' for EMI

A NEW 40,000 sq. feet office complex at Slough, Berks, is to be the headquarters of EMI's expanding £45m. medical electronics operations.

A nine-storey building—Windsor House—will house about 200 staff by December.

New Companies Office opens

BY MICHAEL LAFFERTY

THE NEW Companies Registration Office for England and Wales at Cardiff will be formally opened to-day by Mr. Stanley Clinton Davis, Under Secretary of State for Trade.

The office familiarly known as Companies House, contains public records on more than 600,000 British companies. Its move to the 10-acre Cardiff site, was planned five years ago and has aroused considerable controversy.

Mr. R. W. Westley, the retiring Registrar of Companies, said yesterday that, after an unprecedented degree of consultation with users, almost all important difficulties — many more apparent than real—had been overcome.

He admitted that in retrospect it might have been possible to find alternative accommodation in London, but there was no indication of this in 1971, when suitable office accommodation and staff were almost impossible to obtain.

The transfer of work from London—its home for the last 130 years—began on April 5 and is expected to be completed by the middle of next year.

Although the Companies Registration Office now is officially based in Cardiff, it will continue to have a London search room at its old headquarters in City Road. This will keep a complete library of microfilmed company files, starting with annual returns and accounts for the last three years and changes of directors and offices for the last seven years, plus copies of all documents subsequently filed.

The original file documents and another set of micro-film will be kept in Cardiff.

Mr. Dennis Nottage, who takes over as companies registrar on July 1, described the situation as having a head office and factory in Cardiff with a London showroom.

The Companies Registration Office estimates that 95 per cent. of users' needs will be met by the London micro-film library. For the time being, the other 5 per cent.—such as those who need to go back through more than three years' accounts—will either have to employ a private agency, some of which have already set up Cardiff offices, or go to Cardiff themselves.

Towards the end of this year the registration office plans to re-introduce its postal service whereby, for a fee, anyone can receive a microfiche of file documents through the post. To read the microfiche it will be necessary to have a special reader and demand for these is said to be growing.

When the transfer is completed next April, it is expected that there will be a staff of 850 in Cardiff—700 of these, many of them school leavers, will be locally recruited—and 250 in London.

Apart from a temporary increase of about 150 employees during the move, it is not expected that there will be any overall increase in staff.

The timetable for the complete move is.

The new company section, dealing with incorporations and aplications for company names, moved in April and has now settled in.

General examinations, default and dissolution work is moving in four stages, and half is already being dealt with in Cardiff. This part of the move will be complete in October.

File search, mortgage and liquidation work is moving in three stages in July, December and mid-1977 as files are released from London after the introduction of new blocks of records on microfilm.

HOME NEWS

Forecast of energy gap rejected by British Gas

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS to-day attacks the coal and electricity industries' view that the U.K. is heading for an energy shortage in the 1990s. It says that it would be wrong for Britain's future energy policies to be based on such an "uncertain premise."

The statement, prepared as a paper for the U.K. Energy Conference in London on June 22, is tantamount to an outright criticism of the National Coal Board and the Central Electricity Generating Board.

The two Boards, according to the corporation, are united in the view that gas is too cheap and appropriating too big a share of the market.

"This argument, even were its conclusion politically, socially and economically acceptable, is based on a series of contradictions and false premises."

Unlikely

The forecast energy gap was unlikely. It was more probable that there would be further discoveries of hydrocarbons, and even a surplus of energy for export was a possibility.

"Exports could well include coal and oil if the coal industry can produce at an economic price."

Another "false premise" was that British Gas was depleting its reserves at too fast a rate. The corporation was following a policy of preserving natural gas as far as was practicable for the premium markets.

In this way, the 14m. gas customers could be assured of natural gas supplies for at least 25 years. Substitute natural gas was being developed to meet any shortage.

"Electricity and coal are losing out to gas in the premium markets, and would continue to do so if depletion were slower.

"They are losing because of the much greater overall efficiency of gas for premium uses. Gas is the only fuel which can offer improved heating for the lower-income family without increasing the demand for primary energy."

The Government has come under recent pressure from the coal and electricity industries to put a special tax on gas supplies. British Gas replies that prices should be allowed to meet financial objectives and reflect present and future costs.

The corporation's paper is one of the most controversial submissions to the forthcoming energy conference, called by Mr. Anthony Wedgwood Benn, Energy Secretary.

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, calls in another report for a Green Paper on energy policy to form the basis of an energy plan for the next 10 years.

Referring to the oil industry, Mr. Jones urges the Government to extend the activities of the British National Oil Corporation as rapidly as possible.

He wants to see the undertaking becoming involved in "downstream" activities such as refining, distribution and petrochemical production.

He also wants the Government's 70 per cent. stake in British Petroleum transferred to BNOC.

Professor Sir William Hawthorne, chairman of the Advisory Council on Energy Conservation, refers in another paper, to the prospect of an "energy gap" in 1990.

"Until reserve levels of oil and gas promise a higher margin of safety, the need for energy conservation to delay the energy gap remains prudent."

Compensation of £28.95m. to the British Gas Corporation for price restraint during the year 1974-75 would be payable under a draft order laid before the House of Commons yesterday.

The memorandum to the draft order explains that the sum involved corresponds to the actual deficit incurred by the Corporation because of price restraint but that it is less than the previously announced £42.31m. deficit for the year.

Fewer U.K. tourists in Spain

BY ARTHUR SANDLES

SOME parts of Spain have seen a "disastrous" fall in the number of British tourists this year, according to one of Britain's big three tour operators.

Mr. Wilf Jones, managing director of Cosmos Tours, said yesterday that "the Costa Brava and Benidorm are both down by more than 30 per cent."

Mr. Jones said that there had been a considerable swing in consumer taste in a year when total demand was probably down by 10 per cent. "Greece, the Greek Islands, Yugoslavia, Tunisia and Italy are having a good summer in the British market as a whole. The Canary Islands are doing better, much much better, than the rest of Spain."

It was the Cosmos experience that in every resort area the better hotels had sold first, and particularly those which represented the best value in the medium to high price range. "In Benidorm, on the Costa Brava and in Majorca the cheaper hotels have hardly sold at all."

Mr. Jones stuck to his guns over the "worker revolution" in travel, an opinion which brought quick denials from some other operators last year. This time it was the miners who apparently now had the money to go abroad in larger numbers.

There were also geographic areas of prosperity within the country. "There have been areas of relative prosperity where bookings have been good. These include South Yorkshire, parts of Lancashire, the East of Scotland and the South West."

Europe's satellite success 'crucial'

By Christopher Lorenz, Electronics Correspondent

BRIGHTON, June 10.

THE REST of this decade will be crucial for European industry's effort to do well in the developing world market for satellites, Dr. T. F. Howell, mission manager of the directorate of communications at the European Space Agency, said here to-day.

Dr. Howell told the "Communications 76" conference, that European industry could have to content itself with "the odd sub-contract crumb from the American table."

To avoid this, Europe should concentrate on particular satellite areas, since it could not match the level of subsidies obtained by U.S. industry, even though ESA will handle over £300m. of communication satellite investment in this decade.

To become competitive on a world market, industry should also improve its capacity to handle large satellite projects. An industry consortium needed a minimum work load of two satellites a year.

Important

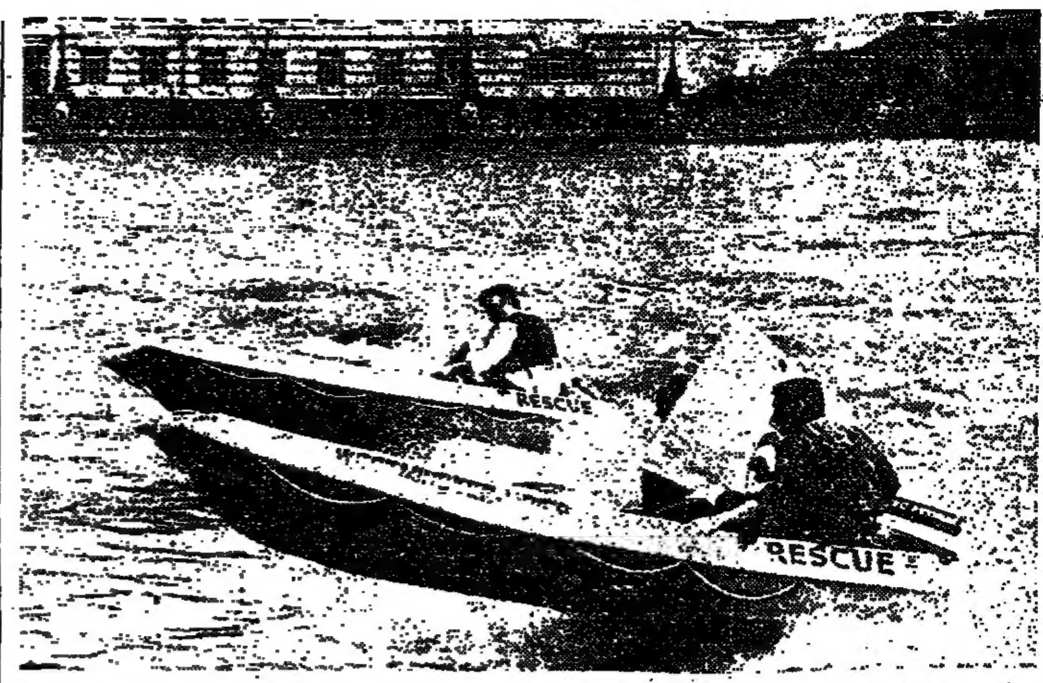
In addition, it appeared extremely doubtful that Third World markets would take European sales efforts seriously, unless they could see the Europeans themselves using their own satellite systems.

This highlighted the "crucial industrial importance" of the European Communications Satellite. A decision to proceed with its operational phase is due this year.

Lord Nelson, GEC's chairman, called earlier this week for a European organisation which could operate a full satellite system, along the lines of the Comsat Corporation in the U.S.

Dr. Howell noted that the EAS Convention allowed it to fulfil an operations management role, should its users (the European post offices) so require.

ECS would operate in similar high-frequency bands to the satellite system proposed by IBM in the U.S.



Two bright orange safety launches took to the Thames at Westminster yesterday, inaugurating a lifeboat service for London's river. The boats, capable of more than 20 knots, are to be stationed at the GLC piers at Westminster and Putney. Each is crewed by one man and can carry five adult passengers. The craft will be on immediate call to rescue people who fall into the river. Mrs. Rose Hacker, chairman of the Thames and other Waterways Board, said that if the £790 craft averted just one tragedy "they will have earned their keep."

CBI prepares new dossier on price code's ill effects

FINANCIAL TIMES REPORTER

THE CONFEDERATION of British Industry is preparing another dossier giving examples of the distorting effects of the price code, in a final attempt to persuade the Government to remove some of the code's anomalies.

The dossier, the result of a call to CBI members to produce examples, is to be sent to the Department of Prices next week.

The examples show how, in the CBI's view the code has put investment and jobs at risk.

One company, for instance, recently had the opportunity to buy an extra moulding machine for £250,000. But it was advised that installation of such a machine might increase its profits so much that it would exceed its profit ceiling

Investment

The existing relief for investment in the code allows a company to raise its reference level for only one year to reflect part of the cost of investment. Thus, the company could have found itself breaking through its profit ceiling as a result of improving efficiency.

The management took the view that it was "inconceivable that a price code which prevented an investment of this type fulfilling its purpose could possibly continue unamended."

The CBI points out that had the Board believed the existing code would survive, it would not have considered this investment for one moment.

The solution would be to allow companies to benefit from cost reductions arising from investment and efficiency in the form of improved margins. The CBI also wants investment relief broadened to include commercial buildings and working capital.

Another case history shows how the code can increase prices. In 1974, a textile company was unable to charge the world price for certain fibres in Britain because of the code. As a result the company exported some of the fibre intended for the home market. U.K. textile manufacturers then had to import fibre at a higher price, paying double shipping and freight insurance costs.

The CBI is also working on examples showing the way the existing profit ceilings can prevent companies recovering from a low profit position.

One small packaging company in Ormskirk had to shelve expansion plans after an investigation by the Price Commission. The company's profit ceiling was set at a time of low activity and since then it had invested in new equipment and moved to new premises.

In spite of the investment, the company is restricted to a profit margin of 4¼ per cent. on turnover which, the CBI maintains, is too low to finance any further expansion and may even force the company out of business.

In its attempt to secure proper allowance for the effect of the inflation on companies' stocks and assets, the CBI is expected to quote the case of a company where the difference between replacement cost and historic cost depreciation has risen to an annual rate of £20m.

As the code has prevented the company recouping this amount in higher prices, there is now a balance of £24m. which has to be made good by borrowings.

The dossier will be the second collection of anomalies sent to the Department of Price in the present round of negotiations over the code.

Sceptical

Though both the Department of Prices and the Price Commission are believed to be sceptical about some of industry's complaints on the repercussions of the code, they are thought to consider some of the complaints justified.

The dossier, however, will arrive after to-day's crucial meeting between the CBI and Mrs. Shirley Williams, the Prices Secretary. It is hoped that this meeting will produce the broad outline of the changes to be included in the consultative document due out at the end of the month.

The CBI hopes, however, that, having established the broad outline of the code, there will still be room to incorporate some further technical change to it to deal with some of the most obvious anomalies.

IN BRIEF

Hammersmith plans

Hammersmith Borough Council in London has approved in principle plans for a £127m. redevelopment of the Hammersmith Centre which includes 600,000 sq. ft. of offices above a new transport interchange and bus garage in the centre of Hammersmith Broadway. Councillors also approved the rebuilding of the Lyric Theatre, accepting a basic tender of £1.8m.

Parole report

Nearly 50 per cent. of offenders get "some parole" before the end of their sentence, according to the annual report of the Parole Board for 1975. New guidelines are likely to give "fresh impetus to the parole rate."

Beer bonus

All 270 of Ind Coope's directly-managed public houses in the London area should be serving beer drawn through a hand-pump (not served by gas pressure) within the next month, the brewery said yesterday. About 240 are already offering this kind of beer.

Builders optimistic

Builders' merchants are now more optimistic about prospects over the next 12 months, according to a survey by the National Federation of Builders' and Plumbers' Merchants.

Transport delusion

Government and local authorities were "deluding themselves in treating the car as the plaything for a privileged few," Mr. Jack Williams, chairman of the Roads Campaign Council, told a British Road Federation conference in Manchester yesterday. One in every two households owned a car, and 90 per cent. of passenger movements were by road and these facts had to be the starting point for transport policies.

BANK RETURN

—	Wednesday June 9 1976	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	17,460,337	— 954,445
Special Deposits	1,004,600,000	—
Bankers	134,260,854	—168,102,705
Reserves & Other A/cs	546,086,443	— 17,405,813
	1,716,890,614	—186,462,961
ASSETS		
Govt. Securities	1,385,309,840	—177,195,000
Advance & Other A/cs	234,627,313	— 5,730,689
Premises, Equip't & other Secs	80,907,316	— 14,168
Notes	17,856,494	— 3,510,562
Coin	157,646	— 12,662
	1,716,890,614	—186,462,961
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,425,000,000	— 50,000,000
In Circulation	6,407,341,506	— 46,489,418
In Bank'g Dept.	17,658,494	— 3,510,582
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	5,694,650,580	— 79,629,539
Other Securities	729,334,320	+ 29,629,389
	6,425,000,000	— 50,000,000

Pound's fall may add £36m. to fuel costs of British Airways

BY OUR INDUSTRIAL STAFF

THE FALL in the value of the pound could add an extra £36m. to British Airways' fuel costs, the State airline said last night.

The additional burden was not regarded as a major setback and could be largely offset by currency gains on overseas ticket sales.

Fuel is a big item in airline operations and British Airways estimates that the falling purchasing power of sterling could push up costs by £36m. in a full year.

By the same token, people buying tickets overseas in their own currency would bring revenue benefits, but it was impossible to predict the extent to which the two movements would balance each other out.

Booking this year had been buoyant and the corporation was confident that it was on a rising trend.

British Airways claims to be top of the North Atlantic league, carrying more passengers between the U.K and the U.S. than any other airline.

The route was "marginally profitable." More passengers were expected to be carried this year as the U.S. economy moved out of recession.

For the first time, the airline was earning more on its eastern routes than on the North Atlantic run. In the 12 months to March this year, it earned a record £180m. revenue on routes to the Middle East, Far East and Australia.

An improvement on this performance was planned for this year. Cargo capacity was also to be increased to take advantage of the airfreight boom.

British Airways is expected to announce its results for 1975/76 next month. It made a small trading surplus of £5.4m. in 1974/75, but lost £9.4m. after tax and interest charges.

GLC wants to control suburban rail services

BY OUR INDUSTRIAL STAFF

Greater London Council wants to take control of British Rail's inner surburban services.

It is proposed that British Rail would operate the services but the GLC would set standards and fares. The Government would channel public transport funds through the Council, which would decide spending priorities between British Rail and London Transport.

"This thinking is radical but hardly revolutionary," Mr. Jim Daily, the transport committee chairman, said yesterday.

Top-level negotiations would be held with the Government and British Rail to try to reach agreement as quickly as possible.

However, British Rail said that the GLC plan was impractical as other services—such as Inter-City and freight—operated over the same lines.

Moreover, the commuter network extended far outside the GLC boundary into the Home Counties.

Mr. Daly said that integration of public transport services was essential and the GLC was the most effective machine available. Under existing powers, British Rail could agree voluntary to give control to the Council or the Government could require it.

He complained that the Government's spending proposals indicated a cut of 11 per cent. in capital expenditure on London's underground up to 1979-80 and a 40 per cent. reduction in operating subsidiaries.

Such policies raised the prospect of badly impaired services and substantial fare increases, Mr. Daly warned.

Divers ration crab catches

SKIN-DIVERS from sub-aqua clubs in East Anglia have agreed to ration their catches of crabs or lobsters to only two a week after complaints from North Norfolk fishermen that "cowboy" divers were robbing them of their livelihood.

Mr. Eric Wink, chairman of the North Norfolk Fishermen's Society, said yesterday: "Some divers were fishing seven days a week, sometimes in rough weather, which indicates they are not doing it for pleasure."

Shell and Esso confirm BNOC talks

By Ray Dafter, Energy Correspondent

SHELL and Esso confirmed last night that they were developing a possible participation agreement with the Government that would give British National Oil Corporation a stake in their North Sea oil fields.

In a joint statement with the Department of Energy, the companies said that the agreement would meet the requirements of Government policy without endangering their interests as major offshore operators.

They had a heavy on-going investment and a long-term commitment in supplying refined products to the U.K. domestic market through downstream organisations employing some 25,000 people in Britain, the statement added.

The fact that the companies have agreed to a formal statement indicates that they have been persuaded by Mr. Anthony Wedgwood Benn, Energy Secretary, to talk meaningfully about State participation. Up to now they have taken the attitude that as participation in existing concessions was considered to be voluntary, they preferred not to volunteer.

Disadvantage

Mr. Wedgwood Benn warned earlier that companies that refrained from negotiating participation terms might be at a disadvantage in the next round of offshore licences, expected to be allocated at the end of the year.

Both Shell and Esso, as major exploration partners, are anxious to be included in the next round of allocations.

The statement adds that "since the future strategy and role of BNOC would be of central importance in reaching a solution, it has been agreed to invite them formally to join in these discussions."

Among the issues still to be settled include the price at which BNOC might buy its share of crude from Shell/Esso fields and the use to which the oil would be put. Both companies have expressed concern about BNOC setting up in competition with themselves in downstream activities such as refining and petrochemical development.

The Shell/Esso partnership already has one field on stream —Auk—and is currently developing three others: Brent, Cormorant and Dunlin.

Co-op Bank chief calls for closer control

By Michael Blanden

CLOSER central control of the U.K. banking system is advocated by Mr. Arthur Sugden, chairman of the Co-operative Bank, as an alternative to nationalisation.

Recent experience, he says in his annual statement, indicates that "there clearly exists a case for closer central control of banking activity, perhaps on the lines being worked out in Brussels, and for more public accountability."

Control of this nature, he says "may be preferable to nationalisation of all or part of the banking sector."

If greater influence was needed, he explained yesterday, the authorities already had powers to direct the availability and use of credit through the 1946 Bank of England Act. This "presents a viable alternative to nationalisation."

Commenting on moves towards greater controls, Mr. Sugden drew attention to the increased supervision already being exercised by the Bank of England and to the White Paper expected shortly setting out proposals for licensing of banks.

Through contact with Co-operative banks in Europe, Mr. Sugden says, "we have seen both the benefits and handicaps of a regulated banking system."

The chairman says that in view of the difficult circumstances, the past year's results give "cause for reasonable satisfaction." Operating profits fell from £4.76m. to £3.57m., but after additional provisions of £1.4m. against loans, compared with £2.65m. in the previous year, the bank's pre-tax profits were up from £1.25m. to £2.16m.

Mr. Sugden points out that with a 14 per cent. growth in total deposits to £287m. last year the Co-op Bank achieved a rate of growth greater than other major banks. But employment of funds created problems in the depressed economic conditions.

Men and Matters, Page 20

Seaforth dock changes 'urgent'

By Our Liverpool Correspondent

THE MERSEY DOCKS and Harbour Company has emphasised the urgent need to rationalise its workforce at the Royal Seaforth container terminal, now losing £100,000 a month.

In the first four months of this year the overall loss at the terminal, including debt charges amounted to £½m.

The company says that the reorganisation will not mean loss of jobs for the dockers and maintenance workers transferred to general cargo-handling operations.

Negotiations with the Transport and General Workers' Union have been held for two months, but there appears to have been little progress.

FINANCIAL TIMES REPORT

Friday June 11 1976

German Shipping and Shipbuilding

Although strongly independent in attitude, the West German shipbuilding and shipping industries are becoming increasingly vocal about what they see as unfair competition from Japan and Eastern Europe. The shipyards are being kept usefully employed, but the merchant fleet had severe difficulties during the recession.

Greater State role opposed

By Guy Hawtin

WEST GERMANY is the world's second largest shipbuilding nation, yet paradoxically, its merchant fleet accounts for only 3 per cent. of the tonnage afloat. Shipbuilding makes a major contribution to export earnings, but shipping costs account for an important slice of the Federal Republic's deficit on invisible trade. Both sectors have been affected by the strong upward course of the Deutschemark, the spectre that has in recent years dogged the heels of the country's impressive performance in the export markets. But this has done little to curb the growth of the shipbuilders, aided by high world demand and their own technical excellence.

Things have not been so easy for the Federal Republic's merchant fleet. Not only has there been stiff competition for cargoes, but currency fluctuations have caused considerable difficulties. Despite this the shipping concerns' performance during last year's recession gave a clear indication of their resilience and determination.

Unlike so many of their counterparts in the West, both the shipbuilders and operators remain fiercely independent. They are strongly opposed to state intervention both at home and abroad. But they have not been shy of protesting at what they see as unfair competition.

This year they can be expected to be even more vocal in the international forums. The upturn in international trade can be expected to put the world's merchant fleets on a healthier footing, but competition will remain fierce. On the shipbuilding side, a major crisis in demand is building up and the industry in West Germany has been deeply involved in seeking a means of lessening the impact.

Survey

A market survey commissioned by the Verband Der Deutschen Schiffsbauindustrie, the Federal Republic's Shipbuilders' Association, indicated that there would be a heavy fall-off in demand for vessels from 1977 and, to deal with it, they believe a 30 per cent. shrinkage in world shipbuilding capacity will be necessary.

The root cause of the problems is the collapse of the tanker market, which, say the West German statistics, accounts for some two-thirds of the world's shipping orders. The market study indicated that the world's tanker fleet would require a capacity totalling 265m. dead weight tonnes up until 1980. This figure had already been reached in the middle of 1975.

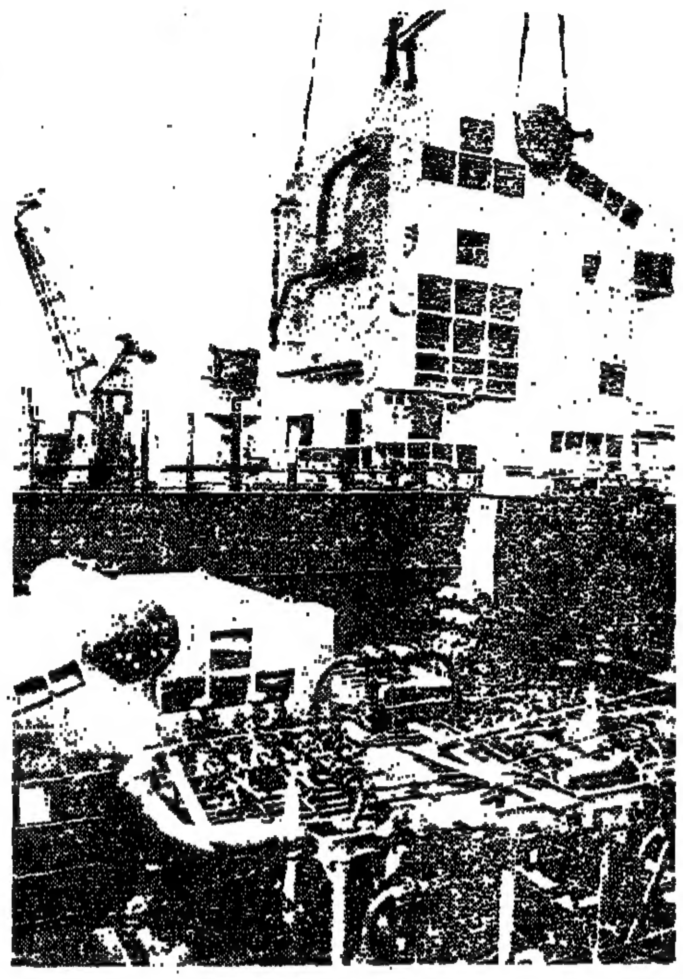
Orders already placed cover the completion of between 80 to 100m. d.w.t. up until 1977-78 and this, says the Verband means that there will be heavy oversupply in the tanker market for a depressingly long time. Demand cannot be expected to pick up until 1983-84.

A substantial number of orders are expected to be cancelled, while the amount of tonnage laid-up is likely to climb to 100m. d.w.t., says the study.

The West German shipbuilders, however, do not expect to feel the crunch immediately, but they believe the acute difficulties will start in 1977.

The Germans lay much of the blame squarely on the Japanese, who over the past decade have massively expanded their shipbuilding capacity with little regard to what the international market can absorb. They point out that between 1963 and 1977-78 Japan's shipbuilding capacity will have risen by 270 per cent. These increases will give a world-wide output of 52m. gross registered tonnes a year.

Concerted action on the part of the world's shipbuilding nations will be needed to tackle the problem, according to the Verband. West Germany is, in principle, prepared to play its part in measures to cut back world shipbuilding capacity by the necessary 30 per cent.



A boiler is lowered into position at a Kiel yard. Shipbuilders are worried about price undercutting.

However, the West Germans are seriously concerned about the many obstacles that lie in the path of achieving stability. Not the least of these is he growing world trend towards State intervention in the industry. They cite the growing number of governments subsidising their shipbuilders.

The West Germans are careful to point out that they do not wish to appear to be meddling in other countries' internal affairs. The British Government's nationalisation plans are regarded as perfectly legitimate internal policy and providing the nationalised yards continue to operate on a normal commercial basis there are likely to be no complaints from West Germany.

Concern

What is of serious concern is the cut-throat competition in the market which, it appears, would be hard to sustain without at least tacit government support. Japanese yards, it is claimed, have been attempting to find work for under-utilised capacity by under-cutting West European prices by up to 30 per cent.

There is not the same antipathy among the shipbuilders to their East European counterparts as found among the operators of the Federal Republic's merchant fleets. While the shipowners accuse the East Europeans of "dumping," the shipbuilders point out that if a nation expects to export to Eastern Europe it must expect East European imports in return.

The shipping concern, however, cannot afford to take quite such a sanguine view. In the past year there have been mounting attacks on the East European operators who, it is contended, cheerfully cut freight rates from the security of highly protected markets.

West Germany's shipping industry, despite its relatively small size, is a highly fragmented one. There are still over 100 shipping companies and just under half of them are very small fry indeed, controlling fewer than five ships apiece. As in the U.K., which has a merchant tonnage almost four times as large, the biggest five concerns have a share of just over a third of the total tonnage.

Although performance last year was creditable, the merchant operators were hard hit by the recession. The decline in world trade brought about a severe decline in liner cargoes, while in common with most international tanker fleets, West German tanker owners suffered a severe drop in demand.

Over-supply of bulk carrier cargo space led to under-utilisation of capacity in the tanker and combined ore, oil and bulk goods sector. With the heavy increase in available tonnage, freight rates remain severely depressed.

In such a situation, it is, perhaps, small wonder that the Federal Republic's shipping operators have launched a sustained campaign against their East European competitors. Herr Hans Jacob Kruse, spokesman for the Hapag-Lloyd executive board, accused the East European fleets of charging unrealistically low freight rates for political purposes.

The West German fleet owners feel that there is little that they or the conferences can do to counter what they see as not only a major threat to their livelihoods but also deliberate strategy on the part of the Soviet Union and its allies. International action is needed, they believe, to ensure fair-dealing in the free markets of the West.

Instruments

Herr Kruse summed up their attitude when he warned: "Political prices are being charged by East Bloc fleets and it is vital that Western shipowners bear in mind that Communist fleets are being used as predominantly political and, indeed, strategic instruments of the Soviet Union."

Undoubtedly the language is strong, but the shipowners feel a very real sense of grievance that they do not have the same freedom to solicit cargo in East European ports as their socialist counterparts enjoy in the West. The progressive cutting of prices by East European operators is also an important hope of contention that is not likely to see much respite this year as the Comecon nations struggle to increase hard currency earnings to alleviate last year's heavy trade deficits with the West.

Shipyards scale down on size

VARIOUSLY DESCRIBED as bloated, living in cuckoo land or on the edge of an economic precipice, Europe's shipbuilding industry is trying, through the offices of the EEC Commission, to reduce shipbuilding capacity which, in conjunction with that of Japan, is nearly 50 per cent. in excess of world requirements. West German shipyards, however, have already put in hand plans for the scaling-down of the production of large tankers, the category where there is the greatest over-capacity.

As Japanese yards are currently building 50 per cent. of the world tonnage on order and as European yards only account for 22 per cent., cutting back European yard output without a very large reduction in Japan's capacity will only result in handing an even larger slice of the world order book to Japan. To make matters worse, not all European yards are in the same predicament.

In West Germany, where the yards have under construction 3.6m. tons gross of the world order book of 74.5m. tons gross, there is a relatively high concentration of small craft in the coastal and inland waterways category. Nearly 30 West German yards are specialists in the construction of ocean-going ships, mostly for export, but a further 40 yards are engaged in the building of small craft.

There are now only seven very large crude carriers (VLCC's — tankers of 200,000 d.w.t. and over) under construction in West German yards which means that any further cancellations of orders for such vessels as a result of the depressed tanker market will have little effect on the overall output of the yards.

It is estimated that the West German yards, large and small, employ 70,000 people directly, and supporting the shipbuilders is a large well-organised marine engine building industry to provide diesel engines and steam turbines for main propulsion and auxiliary duties in the power range of 500 h.p.-60,000 h.p.

An important reason for so many yards maintaining a reasonable degree of commercial viability is the building of "standard ships" fitted with machinery and equipment packages.

Versions

There are several versions available of the multi-purpose general cargo vessel of between 16,000 d.w.t. and 20,000 d.w.t., capable of carrying containers and powered by a diesel engine of between 8,000 b.h.p. and 12,000 b.h.p. They give a loaded service speed of about 16 knots. Another example of the realistic approach of the yards to current and future requirements of shipowners is the adaptation of a 30,000 d.w.t. bulk carrier design to a dual-purpose role. As a bulker the vessel would carry 65,000 cu. m. of grain. It is also strengthened for the carriage of ore in alternate holds, but in the role of containership the capacity is 1,400 containers (20 feet equivalents). This vessel is estimated to cost about DM50m., or a little more than £8m. A much larger, specially constructed container ship, such as the one ordered recently by Ellerman Lines from the A. G. Weser yard and capable of carrying 2,500 containers, is costing £30m.

Many of the international orders for large, fast container ships are held by West German yards. Of the total world order book for 234 container ships of all types, Germany has 32, France is second with 29 and Poland third with 25, nearly all of which are for Russian ownership.

West German shipbuilders see new areas of opportunity in the market for medium and small tankers in the 30,000-40,000 tons d.w. range, vessels which the builders consider will be needed in greater numbers now that the Suez Canal is fully operational. Product tanker construction is expected to increase as oil-producing countries build up their own refining capacity. The yards are also involved in the liquefied gas carrying field, particularly liquefied petroleum gas, where further orders are expected.

The trend towards smaller tankers and specialist tonnage is shown in the latest edition of the quarterly *World Ships on Order*. The figures show that of the 235 ships currently on order and under construction in West German yards 38 are tankers of which only eight are over 100,000 ton d.w. The small tankers include LNG/LPG carriers, product tankers and chemical tankers. By far the largest group includes container ships, bulk carriers and general cargo ships.

At the end of last year, Mr Volkhard Meier, Secretary of the Association of German Shipbuilders said that, "The trend is to more sophisticated ships which need high technology and high level support industries for the supply of equipment."

At least two German shipyards specialise in the construction of floating docks, one of the quickest ways for a shiprepairer to increase capacity. Floating docks have been built in the past year for Egypt, Brazil and Yugoslavia, with lifting capacities ranging from 8,000 to 33,000 tons.

One built by Gutehoffnungshutte Sterkrade, on the Weser estuary, for the Veljko Vlahovic shipyard at Bijela, Yugoslavia, is capable of handling vessels of up to 100,000 d.w.t., while the dock built for the Companhia Commercio e Navegaceo at Rio de Janeiro can take ships of up to 90,000 d.w.t.

Meanwhile, the expanding nuclear power programme contrasts oddly with the large and growing stockpiles of coal at Essen and Duisburg. The programme has included a prototype nuclear powered merchant ship, the 12,000 d.w.t. Otto Hahn, ordered and operated by the Government - subsidised Gesellschaft fur Kernenergieverwertung in Schiffbau und Schiffahrt, as a combined cargo ship and research vessel.

Favour

The experience gained in the design, construction and operation of this vessel, which has travelled more than 120,000 miles, will be very much in Germany's favour when orders are placed for nuclear powered merchant ships. There are no short cuts in nuclear merchant ship design and "know how" is not sold but used to win orders.

Oil rigs of the semi-submersible type are built in German yards and at Rheinstahl Nordseeweke, Emden, the company's experience in the construction of submarines is being put to good effect in the design and building of submersibles for undersea research and maintenance.

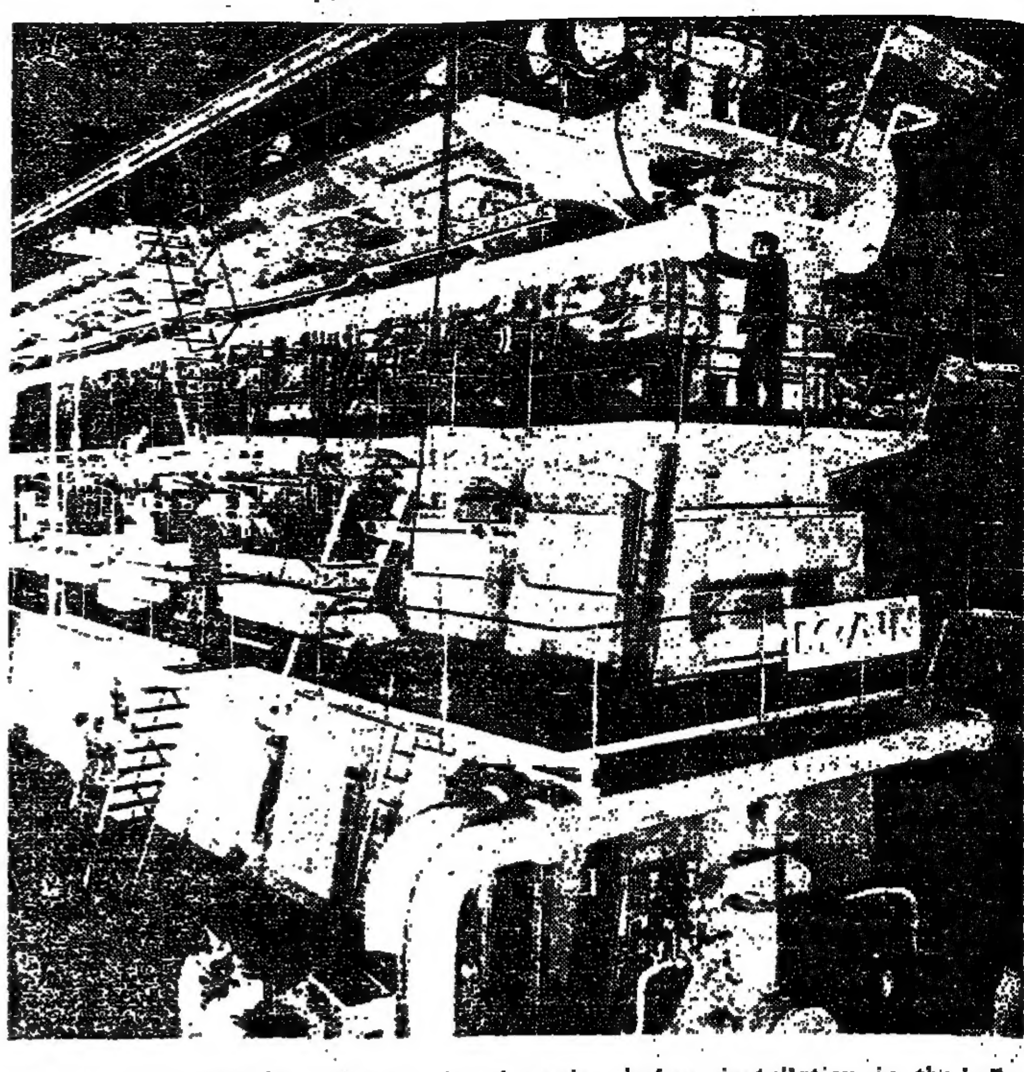
Told by the Government to stand on its own feet, the German shipbuilding industry is assisted, nevertheless, by the financial encouragement given to German shipowners to build at home. This is not directed at the shipbuilders but is to help the owner to operate against intensive competition in the dry cargo market. German crews are highly paid and there has been a move by some owners to register their vessels under another flag.

A visit to one of the smaller German shipyards confirms a growing suspicion that neither size nor geographical location is any handicap to production. The ability of the yards to build the more specialised passenger and car ferries at a profit, and to win repeat orders, is the result of hard work and good management.

There are basically two unions involved in the industry and they are served by officers who are trained in management problems and understand business economics. The result is an effective link between the shop floor and the management. The German shipyard worker's attitude to his job and its future reflects the thinking of the Social Democrats, which is against total control and total administration by the State.

Where some countries have failed to recognise the difference between worker participation and union control, the German shipyard worker has made the former succeed and found the latter unnecessary.

W. D. Ewart
Editor, Fairplay International



Testing a 32,000 bhp M.A.N. diesel engine before installation in the bulk carrier Widar owned by Seereederei Frigga. The carrier is one of series built by Blohm und Voss of Hamburg.

Ports development geared to the narrow seaboard

WEST GERMAN ports are exceptional along the north continental seaboard of the EEC. There has been a careful determination of trade demands, and ostensibly a competitive approach not directly at odds with the terms of investment area directives. The result has been to create a balanced but strongly independent industry.

Outside Germany, however, the desire to capture trade has led to sharp rivalry among the ports of the north continental seaboard. New facilities have been developed, but there is substantial overcapacity and in many fields a wasteful duplication of resources.

The ports of the Federal Republic have to fight strongly to handle indigenous cargoes. There is strong competition from overseas facilities. The Ruhr industrial area in particular has natural links with the Dutch and Belgian ports, while southern Germany has strong trading ties with the northern Italian ports.

Last year German ports handled more than 134m. tonnes of seaborne trade, but the four major ports of Hamburg, Wilhelmshaven, Bremen/Bremerhaven and Emden all suffered from the general economic climate which hit the European ports. The cargo handled dropped substantially.

But investment programmes were scarcely prejudiced. The keynote of West German seaport policy is to strive for flexibility and efficiency in a situation where only a comparatively small seaboard is available to a large, export-based, industrial nation.

Dredging

Dredging on the lower Elbe will soon result in fully-laden dry cargo vessels of 110,000 d.w.t. reaching the port of Hamburg. It is anticipated that this will give scope for a 20 per cent. increase in dry cargo throughput by 1977/80, and provide for the navigation of the river at all states of the tide by "third-generation" container vessels.

Taking shape within the port complex is the Hansaport. [illegible] centre for bulk cargo. Initially the development, a joint venture of the port with Salzgitter, will comprise two berths, but there is provision for the later incorporation of a third berth for 50,000 tonners. A 10-11m. tons cargo throughput at Hansaport is expected by 1978/79, rising to some 15m. tons by 1984.

One of the Hamburger Hafen- und Lagerhaus (HHLA) areas of investment last year was the HHLA Container Terminal at Burchardkai. The terminal area is a prime example of an omnipurpose facility, embracing berths for the cellular container ship tonnage of 25 companies, regular users of the port, in addition to roll-on/roll-off vessels, multi-purpose cargo ships and conventional general cargo vessels.

A likely priority on the investment allocation agenda for coming years is the direction of funds to flood protection works in the upper port of Hamburg, which suffered from the inclement weather experienced last January. It is understood that no firm decision has as yet been taken on tentative proposals for the establishment of an industrial port complex off the coast near Cuxhaven.

The ports of Bremen and Bremerhaven during 1975 handled some 22m. tons of seaborne trade. While this was a reduction of 4½m. tons over the previous [illegible] still a very high proportion of general cargo.

Administered by the Bremer Lagerhaus Gesellschaft, the ports have adopted new sea transportation concepts and installed new facilities with discernment. Ro-ro terminals have been established at both Bremerhaven and Bremen, and the latter is particularly interesting for its incorporation immediately adjacent to the terminal of a 32,000-square metre packing and pre-stowage shed. The DM300m. Bremerhaven Container Terminal, alongside the open fairway, covers an area of over 800,000 square metres. And Bremerhaven has capitalised to a large extent upon Lighter Aboard Ship (LASH) operations, housing the mother vessels and distributing the barges throughout the ports and inland waterways system.

Broader

Wilhelmshaven currently ranks as West Germany's second port in terms of the tonnage of cargo handled, a position which is almost entirely attributable to oil traffic. But the State of Niedersachsen and industrial interests are directing towards the Jadebusen port, investments which will give it a far broader base for bulk handling.

Already, development has entailed the provision of facilities for taking fully-laden 80,000-d.w.t. bulk carriers, which will discharge coal for Wilhelmshaven's new power station.

The construction of a reception terminal for Algerian liquefied natural gas (LNG) is due for completion by 1978. To be founded on the reclaimed land to the north at Voslapper Watt, the terminal would initially handle LNG carriers of 125,000 cubic metres capacity. The Voslapper Watt is the site of the refinery project of the W. German wing of Mobil. The first stage of the project has been completed, and fully-laden tankers of up to 255,000 deadweight tons now supply the refinery. The second construction phase of the Mobil refinery should be completed in five or six years time, raising annual processing capacity to about 14m. tons. Thus, the port looks set to recover from last year's downturn in throughput from over 30m. tons to 23.75m. tons.

Lübeck is the premier Baltic port of the Federal Republic. Although its location at the extreme eastern end of the West German seaboard largely rules out any competitive stance with Hamburg for traffic outside the Baltic arena, Lübeck and its downriver port of Travemünde have developed considerable expertise in the Baltic sphere. This is particularly relevant as regards the application of the latest advances

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Lines stung by dollar movements

A SUCCESSFUL shipping man in West Germany must also be part-banker. It is a sad fact of maritime life that developments on the world's foreign exchanges play a large part in determining the profitability of the Federal Republic's merchant fleets.

The shipping industry is among the most vulnerable of the West German industries to currency fluctuations. Revaluation of the Deutschemark and its steady upwards course since the float have hit the shipping companies earnings hard, while doing little to reduce their basic overheads.

While the strength of the D-mark has caused production industry considerable problems, the West German manufacturing sector has had far greater room to manoeuvre than the shipping concerns. Both the manufacturing and shipping sectors have rationalised heavily but the manufacturing sector has, generally, had the freedom to raise prices, competing in terms of delivery, quality and product development.

Competitive

West Germany's shipping concerns have not had the same amount of leeway. The whole nature of the industry has meant that the shipping concerns have had to follow world market prices and, not to put too fine a point on it, prices have been very competitive.

The major part of the shipping companies' freight charges are paid in dollars, while a substantial part of their running costs, such as wages, repairs and equipment, are D-mark items. The steady upwards spiral of the D-mark since 1973 has put them at a considerable disadvantage to their international competitors, particularly those whose home currencies are weakening.

West Germany's shipowners' Association, the Verband Deutscher Reeder, at the beginning of last year complained bitterly about the situation. It pointed out that the dramatic decline in the dollar's value during the past few years had lopped 70 per cent. off the value of the shipping companies' dollar earnings.

Admittedly their statement was made at a particularly low point for the dollar, which in the first few months of 1975 plunged to a nadir of substantially under DM2.30. Now the dollar is far healthier and this has had a thoroughly beneficial effect on earnings. But the fact remains that West German shipping men will have to watch the currency markets with some trepidation for the foreseeable future.

Despite the considerable disadvantages faced by the West German shipping concerns compared with their more fortunate competitors, the Federal Republic's shipping men utterly reject the concept of Government intervention. There has, of course, been a good deal of both Government and private aid for the industry in the form of grants, loans and guarantees, but the shipowners have constantly pointed out that the West German taxation structure is a deterrent to investment.

West Germany's rules governing depreciation, for instance, allow only 30 per cent. of investment to be written off in the first year. This gives competitors, such as the British, who can write off the whole in the first year a vital advantage. Furthermore, the Federal Republic operates a hard-hitting assets tax which for many concerns is a heavy burden to bear.

It would be wrong, however, to assume that these facts alone have conspired to keep the West German merchant fleet small. Although some shipowners protest that the benefits to be gained from sailing under foreign flags are almost irresistably alluring, the roots of the current situation can be traced back to the end of World War II.

The reduction of Germany after the war heavily reduced the country's coastline. Its shattered merchant fleet could be rebuilt, but the division of Europe into two blocks deprived West Germany of its natural transit trade to Eastern Europe. As a result West Germany's merchant fleet accounts for only about 3 per cent. of total world tonnage, a comparatively tiny proportion for a nation which contributes some 10 per cent. of world trade. But despite its size, the West German merchant fleet is one of the most modern in the world with some 90 per cent. of its tonnage less than ten years old.

The West German shipowners creditably high rate of replacing obsolete and out-moded vessels has been dictated by the rapidly escalating costs and declining dollar earnings. For the West German operators the moves to containerisation, larger and more specialised and more efficient vesels has been a matter of survival rather than prestige.

Unscathed

The results of the policy can be seen from the figures. Despite the recession and extremely difficult operating conditions last year both DDG "HANSA" and Hapag-Lloyd, the two leading West German shipping concerns, emerged relatively unscathed. DDG "HANSA" is proposing to pay its shareholders an unchanged 14 per cent. dividend, while Hapag-Lloyd, which described its results as satisfactory, is planning to improve on its 1974 pay out. For that year shareholders received 15 per cent. of which 3 per cent. was a bonus.

For the larger concerns, diversification has been the name of the game. Hapag-Lloyd, for instance, owns shipyard, equipment and repair operations as well as an airline business. Port and customer services also provide a useful income.

Last year was a poor one for freight income compared with the vintage year of 1974. Turnover in the sector was off by 4 per cent. compared with the previous year, hit by the fall in freight income, the downward course of the dollar and price declines in the tramp market. The concern's shipyards, equipment and repair sector, however, returned to breakeven points despite sharp competition, while there was a useful increase in tourism income and earnings from port and customer services.

This year looks like being another difficult one for the shipping companies. Hapag-Lloyd tersely stated that the first quarter's performance "still leaves something to be desired." Admittedly, the upturn in the world economy should lead to an increase in cargo but in the first quarter at least there were no signs of really measurable improvement in freight income.

The world tanker crisis continues unabated and the number of vessels laid up is likely to rise substantially. The figures produced by West German shipbuilders are hardly encouraging and the earliest relief is not expected to come before the end of the decade.

Not unexpectedly the problems in the tanker sector have had a depressing effect on the bulk carrier market. This, in turn, has led to increased outsider activity in the liner trades, offsetting the improvements that the economic upturn has brought. Increased economic activity in Germany bringing with it fuller employment is not, paradoxically, expected to boost tourism which last year benefited from the fact that an unemployed German can often live cheaper abroad than he can at home.

But if the outlook is not exactly rosy this year, there are a number of positive factors from which the shipowners can draw comfort. The dollar is holding its own against the D-Mark despite continued uncertainty in the currency markets; the upturn in world trade can be confidently expected to bring with it an increase in cargoes; and shipyard activity is likely to remain pretty stable throughout the year.

Opportunities

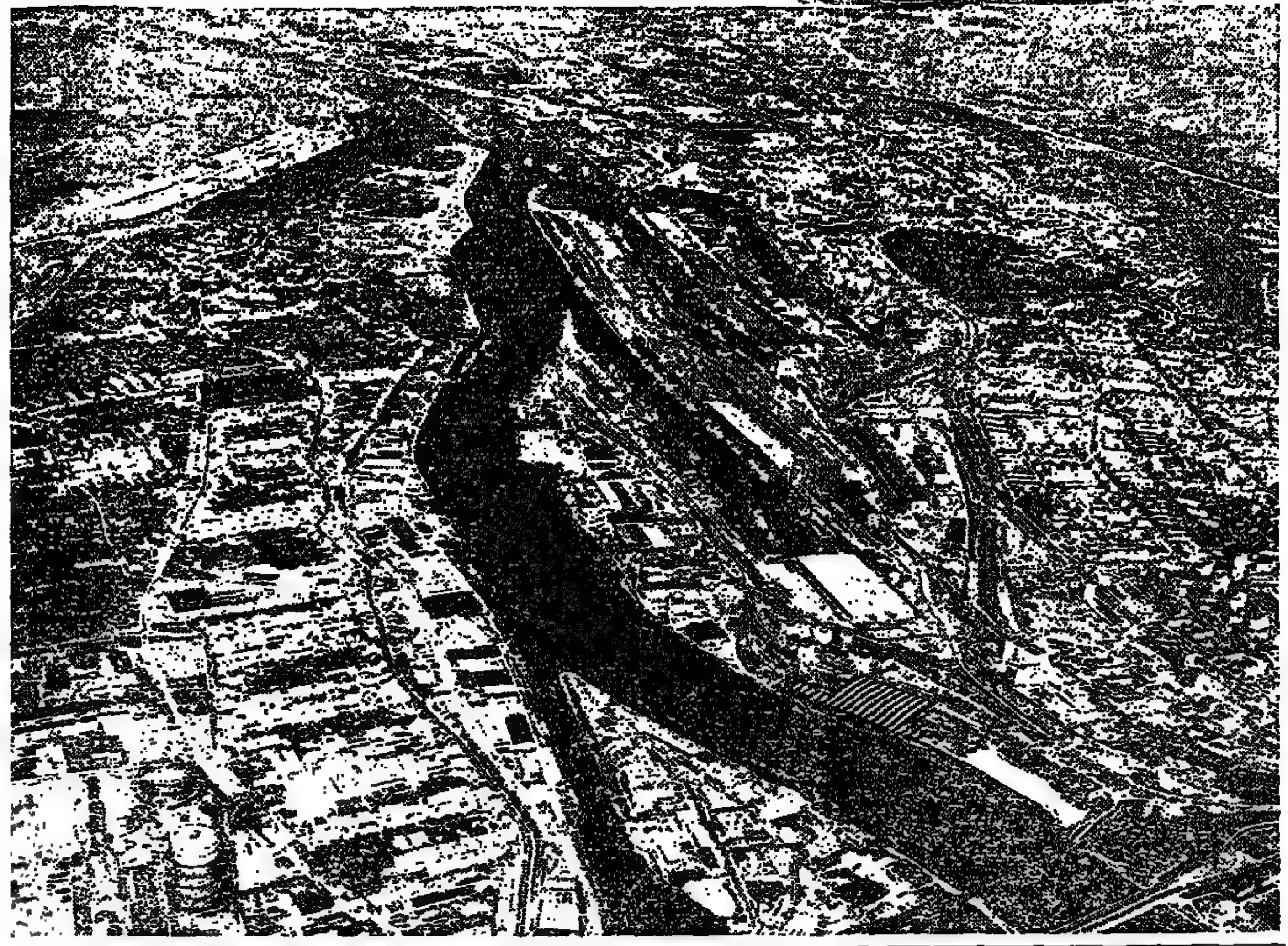
The West German merchant fleet with its modern vessels is probably as well placed as any to take the opportunities that arise. Since the beginning of the decade the number of vessels operating under the West German flag has declined considerably, although this has been matched by a major increase in tonnage.

On January 1, this year the Federal Republic's merchant fleet numbered 638 units, excluding coasters and fishing boats, compared with 658 units in 1974. At the same point in 1972 it totalled 789 vessels. However, the tonnage has risen steadily, by 11.3 per cent. in 1974 and 5 per cent. last year, and it now stands at 8.54m. gross registered tonnes.

Last year the number of ships brought into service declined from the previous year's 47 units, of a total 1.35m. gross registered tonnes, to 35 units of a total 751,020 gross registered tonnes. Some 85 per cent. of the newly-built tonnage brought into commission, 16 units of 601,899 tonnes were built in West German yards. Orders at the end of last year amounted to 98 vessels of a total of 3.8 d.w.t. of which some 71 per cent. of the tonnage is booked with German builders.

One area of concern remains the tanker sector. Last year the delivery of four large vessels increased West German tanker capacity by 15.8 per cent. As a proportion of total tonnage, the tanker sector's share increased from 1974's 35.7 per cent. to 39.4 per cent. At the same time the proportion of tonnage in the bulk transport sector fell back for the first time from 26.4 per cent. to 24.8 per cent. West Germany, however, is no worse off than its competitors in this respect.

Guy Hawtin



Bremen port: it has suffered from the recession but still handles a high proportion of *general cargo*.

Ports development

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in roll-on/roll-off concepts.

The evolution of a comprehensive network of ro-ro services out of the Trave ports to Finland, Sweden and Denmark has included vessels embodying the "Finnflow" cargo carrying system and ro-ro tonnage handling Lübeck's healthy traffic in the import and export of West German, Swedish, East German, Czechoslovakian and Italian cars, in addition to providing the West German terminal at Travemünde for the Railship operation to Finland.

The Railship service, inaugurated last year, is a joint enterprise of West German, Finnish and Swiss interests. It features a 6,600 deadweight ton rail freight ferry carrying specially-constructed wagons between Travemünde and Hanko to link the European and Finnish rail networks. From May 1977, the present ferry crossing time between Travemünde and Helsinki will be cut by half to only 22 hours with the introduction of the gas turbine powered, 30½ knot passenger/vehicle ferry, Finnjet.

Passenger terminal facilities to support this new operation are now in hand at Travemünde's Skandinavienkai, where six ro-ro terminals are presently operational.

The port of Hamburg will be a considerable beneficiary of the 115 km Elbe-Seitenkanal (the ESK, or Elbe Lateral Canal) when this is fully completed by the end of 1977. In fact, Herr Helmuth Kern, Hamburg's Economics Senator, estimates that some 12m. tons of additional cargo will be stimulated by the new navigation. Lübeck, over 20 per cent. of whose traffic is transit trade, with strong links forged with the GDR and Czechoslovakia, also stands substantially to gain from the ESK, as should the inland system as a whole.

Conceived to by-pass the present Elbe shipping route from Hamburg to Magdeburg in East Germany and thence to Berlin, which is too shallow most of the year for fully-laden inland vessels, and to provide a saving on the in-water distance from Hamburg to the Ruhr industrial areas, the canal will extend for 115 km. from the Elbe near Lauenburg to the Mittellandkanal west of Wolfsburg, close to the East German border.

The northern section of the ESK, to just above Uelzen, is already operational. Deep enough at 4 metres for the standard "Europa" type inland vessels, a substantial volume of its trade will be iron ore, imported via Hamburg. The ore is destined for the Salzgitter steelworks which in 1977 will cease to work the comparatively low grade German ores.

Hamburg port's capital outlay in the new link will amount to a third of the DM1.3bn. presently specified as the cost of the ESK project. The remaining two-thirds will be financed by the Federal Republic.

David Tinsley

Private medicine is set for new growth despite Government and union displeasure. **Eric Short** reports.

Testing time for medical insurance

Two years ago, the National Union of Public Employees raised the flag of opposition to pay-beds within the National Health Service at Charing Cross Hospital, with Mrs. Brookestone leading the fight. Initially, the matter related solely to the objection that pay-beds represented an improper use of NES resources. But like many controversies that are essentially political in nature it soon escalated into an attack on the whole concept of private medicine.

Many commentators were rather sceptical about the long-term future of private medicine and certainly thought that the medical insurance agencies would not be able to survive an all out Government onslaught. The fears were that the separation of private medicine from the NHS would result in it withering on the vine. This week the report and accounts of British United Provident Association (BUPA) for 1975 were published and since BUPA is the largest medical insurance agency in the U.K. it reflects how the industry is being effected by the controversy.

The report shows that last year was a testing time for such agencies, but the pressures are coming more from other Government action than from the pay-bed discussions. All the medical insurance agencies have been adamant in pointing out that the private medical sector could survive a divorce from the NHS. There is a flourishing private hospital sector outside the NHS with some 150 hospitals providing about 3,000 beds.

BUPA itself has sponsored the Nuffield Nursing Homes Trust for many years and this charity operates the largest chain of private hospitals in the country —over 850 beds in 27 hospitals when two new buildings at present under construction are completed. Private Patients Plan, the second largest medical insurance agency is now also financially sponsoring the Trust.

Weekly cost

The main problem facing the industry is the rising costs of private beds whether within or outside the NHS, which have been escalating at a higher rate than other prices. Nurses' pay has been raised substantially ahead of the pay-policy and this increase was long overdue. But it did mean that costs had to go up in line with such rises. The price of a pay-bed within the NHS has risen by about 150 per cent. in the past three years and the weekly cost of a private bed in a London teaching hospital is now £339.

The agencies have no control over costs, but have to put up their subscription charges more or less in line with bed costs. BUPA's premiums have risen by about 150 per cent. and for many of BUPA's older members the 1975 increase was the last straw. They found the cost of insurance beyond their means and gave up membership. BUPA has a net decrease of 15,000 in the numbers of individual subscribers last year and Mr. E. F. Webb in his chairman's statement refers to these lapses from individuals on fixed incomes who could no longer continue. Western Provident Association (WPA) the third largest agency confirm this trend of withdrawals by older members who can no longer meet the premiums.

INCREASE IN MEMBERSHIP OF MEDICAL INSURANCE SCHEMES

Year	Individual	Group	Total
	Number of members		
1955	—	—	261,000
1965	—	—	678,000
1971	406,000	573,000	979,000
1972	407,000	610,000	1,017,000
1973	399,000	661,000	1,060,000
1974	413,000	683,000	1,096,000
1975	393,000	694,000	1,087,000

These figures are the combined membership of BUPA, PPP and WPA, which accounts for 98 per cent. of the medical insurance market.

Individual membership of private medical insurance has been slowly declining in numbers over the past few years, with occasional recoveries; the accompanying table compiled from the figures of BUPA, PPP and WPA show an almost static situation with a strong decline in 1975. The growth area, as the table shows, has been in group membership, either through the employer taking out a scheme or through a trade association scheme.

Up to 1974 membership of group schemes was rising at a steady rate, but recent Government action has put a brake on this type of membership. The first action was contained in the Finance Act 1975 No. 2 which taxes all employees in respect of the contributions paid on their behalf by employers. This is resulting in some employees questioning whether membership is necessary.

But far more serious is the effect of the Government's pay-policy which put all fringe benefits including pension and medical insurance schemes within the present £6 limit and the proposed 4½ per cent. limit. This meant that if an employer wished to set up a medical insurance scheme for his employees, the contribution cost is part of the £6 per week allowable increase. The only new schemes being allowed through are those where the employer made a firm promise to set up such a scheme ahead of the introduction of the pay-policy and it had been accepted by the employees. The growth in group membership last year arose from existing schemes.

What does the industry expect of the future? Having come through 1975 with damage far less than expected, the main agencies feel that they have a solid bedrock of membership from which to build once the Government has inflation under control and the pay-policy restrictions have been lifted. They all see two main areas of growth, the first and most important being that of group membership.

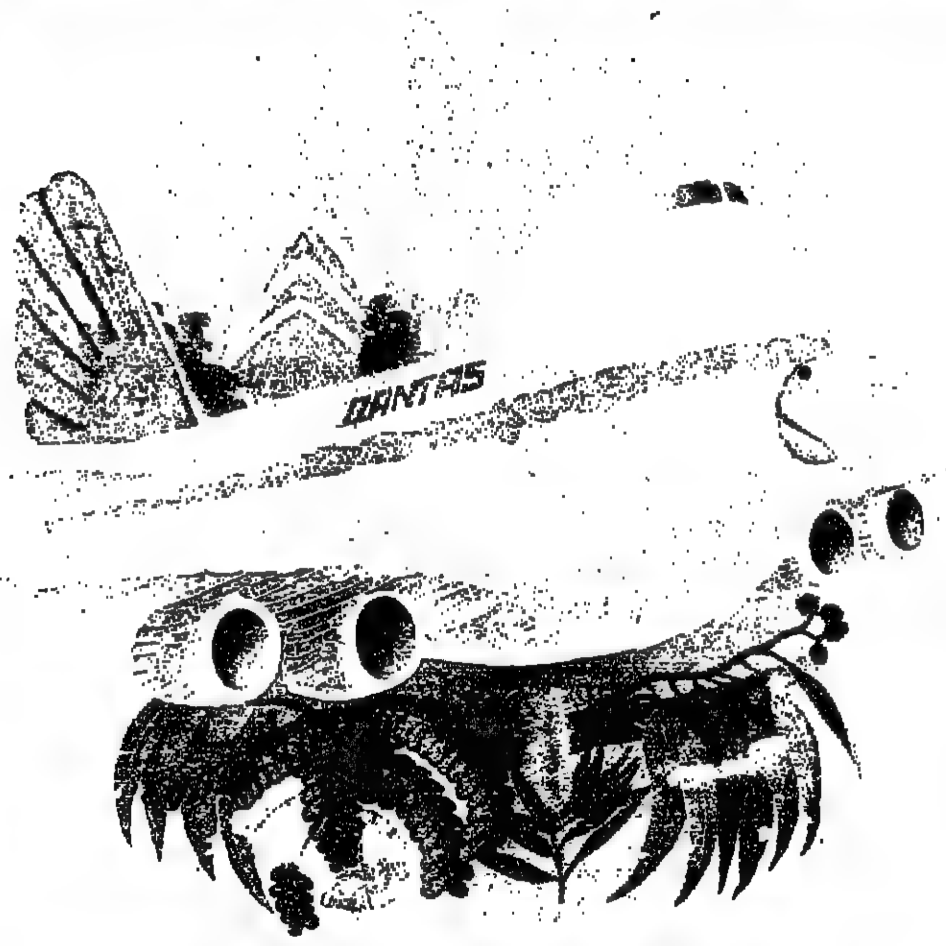
Fringe

BUPA and PPP are both at present actively marketing in this area despite the restrictions and are finding a lot of interest from company executives. This is possibly part of the move towards more fringe benefits by certain classes of employees. Since it can take several months to set up a scheme following the initial contact, these companies are anticipating the expected relaxation in pay-policy in 1977.

The second area of growth is that of the self-employed and here all the agencies are looking at the potential of the non-professional classes such as taxi drivers and small traders. One effect of the pay-bed controversy has been to highlight the problems of the NHS, especially the waiting list for minor operations.

What does seem likely is that the individual subscriber who wants medical insurance simply because he or she intends to use private medical facilities is going to disappear slowly. The agencies regard this as a rather sad fact of economic life, especially since their reason for being established was to enable the individual to be able to afford private treatment. Like all other forms of insurance, medical insurance is only meaningful if the individual ensures that he is fully covered and remains so, and under current conditions this means paying very high premiums. WPA was rather late into the group field and the majority of its members are still individual. The agency is having to reorientate its marketing programme in the light of changing conditions.

All three agencies mentioned in this article operate on non-profit making principles and account for 98 per cent. of the market. Their aim is to keep premiums as low as possible consistent with not going into a deficit and last year the amount paid out in claims by BUPA accounted for 85 per cent. of the premium income. Nevertheless, the long-term interests of the medical insurance industry are linked to the adequate provision of private beds and they contribute regularly from income to private hospital provision.



IRI ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE

IRI 5¾% US$ and DM Bonds of 1964 Due 1975-79

Notice is hereby given that the annual redemption instalments due on 30th June, 1976, of US$ 2,749,000 and DM 8,992,000 principal amount have been satisfied by the market purchase of bonds for a principal amount of US$ 1,180,000 and DM 3,548,000 and by drawings for a principal value of US$ 1,569,000 and DM 5,444,000.

The bonds drawn for redemption in the presence of a Public Notary are the following:

US$ 1,000 BONDS

Bonds bearing the following last two digits:

09	11	24	31	33	38
41	48	50	52	55	66
77	81	82			

together with those ending in 71, excluding number 13,471 or higher.

DM1,000 BONDS

Bonds bearing the following last two digits:

07	11	13	18	24	26
32	43	48	73	77	83
85	89	94	97		

together with those ending in 58, excluding number 51,758 or higher.

On 30th June 1976 there will become due and payable upon each bond drawn for redemption, the principal amount thereof with accrued interest to said date at the address given below:

Banque Lambert-Luxembourg S.A.
LUXEMBOURG
11, Bd. Grande-Duchesse Charlotte

or with one of the other paying agents listed under article 6 of the regulations printed on the back of each security.

Interest will cease to accrue on the bonds drawn for redemption on and after 30th June 1976. Bonds so presented must have attached coupon No. 25 maturing on 31st December 1976 and all subsequently dated coupons.

SPAIN

A Financial Times Survey

The Financial Times proposes to publish a special survey of Spain on Tuesday, June 29. The survey provides an opportunity to assess the political and economic situation of the nation six months after the death of General Franco and the accession of King Juan Carlos, and will examine how the country is adapting to the new situation. The proposed editorial content will also include coverage of the following subjects:

- The Economy
- The Banks and Financial Institutions
- The Political situation
- Labour relations
- Foreign policy
- Tourism
- Industry
- Foreign Investment
- The Regions
- Agriculture
- Transport

Companies which are currently trading with Spain—or wish to develop such links—are invited to consider this survey as a good advertising medium through which to publicise their products or services. For further information phone Mrs. Lindsay Walsh at the Financial Times on 01-248 8000 extension 606, or write to Bracken House, 10 Cannon Street, London EC4P 4BY.

SPAIN
An FT Survey scheduled for publication on June 29 1976

The contents and publication date of this survey are subject to complete editorial discretion and may be changed without notice.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Fast parcel sorting at Euston

DUE TO be officially handed over to the British Rail next week, and now completing its commissioning trials at Euston Rail Express Parcels Depot, is a package sorting system designed, manufactured and installed by Sorting Systems, 26, Bastwick Street, London EC1V 3PS (01-253 1685).

Catering for a broad range of package sizes and weights, the system is required to accept packages up to 3 feet wide, 4 feet tall and 8 feet long, weighing up to 200 lbs, down to the smallest packet size of 4 x 4 x 1 inch.

British Rail had found other types of sorter unsuitable; only the tilting slat type (which this is) would cope with the irregular textures, varying weights and lengths, and still provide the required output without damage. The system is circular in plan, and is stated to be economical in space and components.

Materials handling officer for British Rail, Mr. Travers Cosgrove, says: "In competitive tendering it is significantly cheaper than other types of machine with inferior performance, and because of its continuous in-line feed, it is cheaper to operate than most."

The machine, the fastest so far built by the company, has a capacity of over 5,000 units/hour when handling an average package length of 18 inches. The system, which cost a total of £140,000, has twin feed conveyors, and single digit keying, in either twin or single keying positions.

Much of the novelty of this machine is in its segmented turntable construction. The segments are mounted on carriages at the periphery of a turntable, in this case 15 feet diameter, driven through a fluid clutch to minimise damage from sudden stops. The carriage wheels normally run in horizontal tracks, but can be switched to another track at 33deg. so that packages slide off the segments down chutes on to one of eight spur conveyors.

The switches are solenoid operated according to the information stored in an electronic analog memory when the operator keys in the parcel code. All segments tilt at the last sour, then right themselves as they return under the feed. Package position on the feed conveyors are monitored by photocells to prevent mis-keying, control the merge unit, and protect the machine from jamming.

At Euston a wheeled caged stillage is used as a unit load. These are trolleyed from the train side to the sorting depot. The same trolleys serve as live storage of sorted packages prior to delivery by road. Secondary sorts on the spur conveyors are made into these trolleys, whether for "forwarded" or "received" traffic. This 80-way secondary sorting is economic and provides a checking opportunity.

The company has supplied two smaller units for BR in Manchester and Birmingham, and in July will be commissioning a sorter at Securicor's parcels handling centre in Leeds (Securicor now handles some 100,000 parcels a day). Three more have been ordered for the U.K. and the company's licensee in Japan, Mitsubishi, has installed four—a Germany company, Karl Walter, has also received a licence. Further orders are expected from the Middle East and America—the company reports considerable interest in baggage sorting installations at airports.

● RESEARCH

Additives to reduce drag

A REVIEW and bibliography called "Drag Reduction by Additives" has been published by BHRA Fluid Engineering, Cranfield, Bedford MK43 6AJ (0234 750422). Dr. A. White, assistant dean, Middlesex Polytechnic, has written the review—the bibliography was compiled at BHRA.

The bibliography covers fluids, machinery, ship design/propellor research, fire-fighting, heating and ventilation, jet cutting/cleaning, food industry, biomedical, and marine applications. Drag reduction in oil, sewage, floodwater and oil-hydraulic fluids is included.

The review considers additives and their effect on drag reduction in a variety of aspects and applications.

Copies from BHRA (A4, paperback, 181 pages) at £15.50—for the same price BHRA has published the proceedings of the International Drag Reduction conference held in Cambridge in 1974 (31 papers, casebound, A4, 520 pages).

● DATA PROCESSING

COM market hots up

BUYERS of the Pertec computer output on microfilm company, Bell and Howell will shortly be introducing the 3800 "intelligent" COM recorder in the U.K.

This is not a new machine but combines the 3700 with the DEC PDP 11/04 to provide the "first genuinely field-upgradable" COM system available, the company claims. Existing 3700 users can add the processor to upgrade their installation to a full 3800.

COMCO Micro Systems, a bureau based in Glasgow, will be the first 3700 user to do this.

This announcement, together with the recent launch by NCR, underlines the way in which COM market operators are finding it necessary to follow the trend set originally by DatagraphiX, which has been marketing intelligent COM for quite some time.

Indeed it could be claimed that had all vendors of COM offered minicomputer-driven equipment from the outset, the market for this form of data storage would have expanded far faster since no buyer would have needed to impose an extra software burden on his own frequently overloaded computing equipment.

It is understood that DatagraphiX will, in a few weeks be offering a new version of intelligent COM on the European market. Auto-COM is the name chosen for the equipment which goes a step further in easing the users' task. Running from tapes produced by almost any model of computer, it turns out completely processed microfiche in minutes ready for duplication where required on a companion machine called AutoFICHE.

An all-magnetic electron beam character writer produces much higher definition of upper and lower case characters than hitherto. Automatic film processing is also provided.

Bell and Howell on Ashford 57234. DatagraphiX on Windsor 69911.

● ELECTRONICS

Lotteries put above suspicion

ERNIE—the much-maligned electronic gnome who plays the capricious pranks most holders of Premium Bonds complain of—now has a potential mate, though whether or not there will be wooing and wedding depends very largely on the course of Parliamentary business for the next several months.

LOTTIE is what the male has been dubbed and is a random number selection machine unique, so it is believed, in Britain, though it has been sold extensively outside this country. Kenrick and Jefferson, a specialised printing group based in Nottingham, has the exclusive rights to market in the U.K. where first customers are likely to be the various local authorities who will ultimately decide to solve their rate problems—partially—by running local lotteries.

Random number selection from one to ten digits in length go hand in hand with a layout that permits all mechanical operations to be seen by an audience.

Moreover, any member of the audience can set the selection process in motion, which has a certain publicity appeal of its own.

It is to be shown by the company next week at the Metropole Hotel in Brighton where the company will be presenting three seminars on the effects of the Consumer Credit Act on company documentation, on computer input systems and on rent and rates collection.

Together with the selection of random, unbiased numbers must go the ability to produce tickets presenting a high degree of security—unforgeability.

The company has developed a number of its own techniques to this end and has combined them to produce practically secure documents. Techniques which can be called on include the use of ultra-violet sensitive inks, use of inks to produce a blurred background and use of water-based inks which will flow and smudge if any attempt is made to forge the ticket. With this goes the use of check digit verification techniques which employ mathematical means to ensure that the ticket and the stub correspond exactly.

Further details from High Street, West Bromwich, West Midlands B70 8NB (021-553 1001).

In another area where skill is supposed to be allied to chance—in "Spot the Ball" games—there is a new development that could go some way towards answering the questions of the Royal Commission on Gambling which is now looking at the methods of checking such competitions. Its inventor claims that since the winning position using his device is based on a given combination of numbers, there can be no question about the accuracy of a winning result.

More from Trans World Competition Terminals at Chester House, 91 Alcester Road, Studley, Warwicks. Studley 2494.

● COMMUNICATIONS

Business up aloft

A CLOSE examination of the application by Satellite Business Systems for permission to create and operate a U.S. domestic satellite system, and of the replies by the Federal Communications Commission seeking further clarification, gives some idea of the direction in which IBM would like business and commercial computing and communications to evolve.

Though SBS and IBM are legally differing entities, SBS is IBM's creation and it is the moving technological spirit in it. Should application be finally approved, IBM will have two other partners, Comsat General and Aetna Casualty and Surety, the latter a very minor one.

Study of the application needs to be close because some of the implications are, as would be expected at this stage, only hinted at.

SBS will develop a common carrier communications system based on two satellites in orbit and one—plus launcher—in reserve. It intends to open up the 12/14 GHz band and offer what the documents describe as a wideband, switched, private network service.

Clients will be large industrial and government users, using networks for the integrated digital transmission of voice, data, and image traffic.

The really radical change proposed is buried in that word "networks." The aim of SBS seems to be to offer to provide a complete communications facility for use within geographically dispersed organisations (of which IBM would be one example).

The facility would replace the mix of communications from differing suppliers that such large organisations use within the United States, thus bringing them under one central control, but there would be interfaces with existing systems in the outside world.

The application states that SBS ultimately plans to operate several hundred earth stations, and indicates that were permission granted by the autumn, SBS would be able to offer a service by the middle of 1979. The terminal equipment, states the application, will be customer-provided.

Whatever the publicly expressed objections to the service, it is this that is worrying many specialists. Some privately expressed objections are that the time interval will not be sufficient for anyone except SBS's moving spirit, IBM—which will in any case have an inside technological track—to prepare to offer equipment.

For some time after 1979, IBM will therefore have the associated equipment market largely to itself.

"Access ports" are to be compatible with conventional telephone interfaces in the case of voice grade inputs, and with established industry standards in the case of digital inputs. But there are not, as yet, industry standards established in many of the areas under the latter case.

More important in the short term however is that the application points out that almost all existing terminal equipment to be used with the digital access ports—including that made by IBM—will require some modification to make effective use of SBS's transmissions because of the 40,000 mile hop inherent in these transmissions. Some experts regard this as an attempt to create a technological lockout, and query whether, once the modifications have been made, the equipment will be in a position where it can be used with other means of communication or computer systems.

The application does claim that the service to be offered will not depend on any hard/software offered by any particular supplier, including IBM. How the two sides can be reconciled in the time available is not stated.

In response to the concern of opponents of the application, SBS specifically states that the service offered will not be bundled or packaged with computing services or equipment from IBM, and that IBM employees will be barred from offering SBS services. The components are such, however, that the system does seem unique, and the question is going to arise as to whether a user committed to SBS will be able to make the switch to other services without incurring extra expense.

The cost of establishing the proposed system is estimated at \$250m., of which the satellites and launch vehicles take \$104m., and systems development \$97m. Broken down another way, the ground segment is to cost \$24m., in which there is initial provision for 37 of those hundreds of ground stations—in this case unattended stations, each of which is estimated to cost \$474,000

The two operational satellites are designed for a life of seven years. Each will have eight channel transponders, each giving 41 Mbps, or a total capacity of 328 Mbps per satellite, though initially the second space unit will be used for back-up in case of failures.

Ground stations will be in close proximity to large customer/user traffic nodes. The system will use time division demand assignment techniques for traffic concentration and this should give SBS flexibility in the way that traffic is packed.

The FCC's response has been to ask for much greater detail, which should include the proposed tariff structure, and for IBM to clarify the positions of its serving officers and directors who are also involved with the control of SBS. Under the present structure, though IBM is to treat SBS in a "hands-off" manner, the three IBM partners on the SBS controlling board are senior IBM officers, two of them being directors of IBM, and one John Opel, being its President.

Whether SBS will go ahead to the announced plans and timescale is still in doubt.

This is not due only to the problem of getting an agreed no tem of this magnitude during an tem of this magniture during an election year. There is also the problem that satellite communications offerings currently far outstrip the capacities being taken up, which has meant that large discounts are being offered.

In the meantime, the first of three AT&T satellites to be launched in the next two years has also gone aloft. It is worth noting that these are restricted from offering data transmission services for the first three years, which would mean that the first of them will do so just at the time that SBS is scheduled to begin operations.

● METALWORKING

Bolt threads rolled faster

DESIGNED FOR the automatic mass production of steel bolts and capable of rolling metric, imperial, diametral and many other types of thread from 3 to 38mm diameter and from 4 to 60mm long, the UPAW8 from WMW, East Germany, is being marketed in the U.K. by Erfurt Machinery, Orgreave Close, Sheffield S13 9LD (0742 697341).

It is intended to be linked into production lines and therefore requires automatic feeding devices. Production rates as high as 1,500 parts/min are claimed, said to be some 50 per cent faster than comparable machines.

Cylindrical rolls form the screw threads. The machine's facility for optimising the working speed under load, while the thread is being rolled, permits the high production rate. Maximum roll diameter is 180mm, and the segmented rolls, which can be made to customers' specifications, are interchangeable with the majority of other makes.

The hydraulic work spindle has a reversing control, and other features of the machine include separate drives for the rotary bin and sorting wheels, adjustable bearing clearance of the rolling spindle, simplified maintenance and low operational noise.

● TRANSPORT

Flywheel could halve fuel cost

MULLARD Research Laboratories (Philips Industries), which for three years has been studying the problem of keeping internal combustion engines running at maximum efficiency, has devised a relatively simple solution based on the well-known concept of storing energy in a small geared-up flywheel. Fuel consumption of a conventional road vehicle on an average journey could be halved, it is believed.

Via a continuously variable gearbox, power is transmitted to the driven wheels from the engine and/or the flywheel. Main novelty is in the use of two clutches. These are operated by an automatic control system to disconnect either the engine or the flywheel from the gearbox at appropriate times.

Three different modes of operation are envisaged: engine only, resembling conventional practice but with the added advantage of automatic high ratio overdrive; engine and flywheel both connected, storing excess energy in the flywheel, or using it to boost acceleration; or flywheel only, with the engine stopped.

An electronic controller selects the most advantageous mode for fuel economy, with a driver override switch to obtain rapid acceleration.

Estimated fuel saving for a two-litre car is 38 per cent, compared with a manual gearbox.

Discussions are now in progress with both U.K. and overseas vehicle manufacturers. It is estimated that on an average size car (small cars would not benefit greatly) the added cost of the system (about £550 if 50,000 were made) would be recovered after 40,000 miles.

Details from Philips Industries on 01-499 8555.

PARLIAMENT

Tories attack 'Snoopers charter'

Excessive tax powers not our aim—Barnett

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

UNDER HEAVY Opposition onslaught against the so-called "Snoopers' charter" provisions in the Finance Bill, the Government last night agreed to see if some further safeguards could be found against "excess or abuse" in the use of the new powers of investigation proposed for tax inspectors.

Mr. Joel Barnett, Treasury Chief Secretary, assured anxious Tories in the Commons Standing Committee on the Bill that he was as concerned as they were that excessive powers should not be given to tax inspectors.

"I am prepared to look and see whether this can be done by the power being given to an inspector by way of consent from the Board of Inland Revenue."

This suggestion went some way to meet Opposition amendments put forward by Mr. David Howell from the Tory front bench.

But Mr. Barnett rejected as exaggerated Mr. Howell's contention that the powers at present in the Bill were "excessive and ferocious."

Further Government assurances met Opposition condemnation of the provision requiring a person to produce documents concerning his appeal against an assessment.

"I will be happy to ensure that we don't infringe this particular type of confidentiality," said Mr. Barnett.

Consideration is also to be given to the Tory argument that a reasonable limit should be set to prevent inspectors going far back in time in their inquiries into a person's affairs.

In his promised look at the investigation powers, the Chief Secretary said he hoped there would be no exaggeration about the reconsideration being given to this particular section of the Bill.

All that the Government was asking for in the way of additional powers for the inspectors was designed to enable the Inland Revenue to see essential documents underlying accounts presented by taxpayers.

There was a minority of cases where taxpayers withheld information necessary to back up the statements they presented, and there was no way of getting the information if the inspectors were deprived of the powers proposed.

MR. DAVID HOWELL
"Invasion of private property."

There were cases, said Mr. Barnett, where there were known omissions from taxpayers' statements. From information available to the inspector from other sources, he would know that the taxpayer concerned had an accretion of undisclosed wealth.

In such instances, the cases concerned could drag on for years, and this was one of the reasons why this clause was needed—to ensure that documents behind the figures were made available.

Mr. Howell declared: "We are dealing with an invasion of private property on a scale not hitherto contemplated." The provisions of the Bill suggested that the Government wished to allow tax inspectors to do a little private investigating.

Mr. Peter Rees (C., Dover and Deal) said the committee must be concerned about any invasion of essential liberties, from whatever quarter it emanated. These provisions would tilt the balance away from the taxpayer and in favour of the Executive.

Mr. Rees declared: "I am concerned with freedom from harassment by the Executive. Any MP who views these provisions dispassionately must recognise there is scope here for undue harassment of the taxpayers of this country."

Mr. Barnett, said he shared MPs' concern about giving excessive power to any officials, and the abuse of power by officials, whether it was the Inland Revenue or any other.

He hoped MPs would accept that a fine balance was needed to ensure that excessive power was not given to officials and at the same time ensure that officials empowered to collect taxes were not unduly put in a position of weakness in doing that job.

Debate on the Bill was adjourned until next Tuesday.

Wilson honours protest by MPs

BY PHILIP RAWSTORNE

SIR HAROLD WILSON's resignation honours were strongly criticised at a meeting of the Parliamentary Labour Party last night, and may provoke a further row at the party conference this autumn.

Mr. Arthur Blenkinsop, MP for South Shields, who, in a letter signed by about 100 other Labour MPs, had asked the PLP to dissociate itself from the former Prime Minister's action, said that his move had been supported by constituency parties throughout the country.

Some local parties, in a "gut reaction," were tabling critical motions for debate at the conference, he said.

The bitterness aroused by Sir Harold's honours list was clearly reflected at last night's meeting in his absence.

Mr. John Mendelson, Left-wing MP for Penistone, said the response to Mr. Blenkinsop's letter had shown "a cold contempt for the actions of a man who owed everything to the workers of the Labour movement."

And though the meeting agreed not to pursue the issue, Mr. Arthur Palmer (Bristol NE) suggested that both the PLP and perhaps a Commons Select Committee should inquire into the whole honours system.

Mr. Bob Cryer (Keighley) protested: "The Prime Minister is not God. He is the servant of the Labour and trade union movement."

Mr. Cledwyn Hughes, party chairman, pointed out that Mr. Callaghan had no responsibility for the resignation honours list.

But Mr. Dennis Skinner (Bolsover), reiterating his total opposition to the honours system, added that if the PM were to continue it, he should use it to honour only those who had served the Labour movement.

Liberal rivals differ on tactics

By Richard Evans, Lobby Editor

A TOUCH of needle entered the campaign for the leadership of the Liberal Party yesterday with two of the leading contenders, Mr. John Pardoe and Mr. David Steel, differing over tactics.

Mr. Pardoe announcing a Press conference to launch his campaign next Tuesday, added that three Liberal MPs, Mr. Cyril Smith (Rochdale), Mr. Richard Wainwright (Colne Valley) and Mr. David Penhaligon (Truro) would be supporting him.

Mr. Steel later issued a tersely worded statement which made plain his feelings about his rival's tactics.

"I have been asked about a list of my supporters following John Pardoe's publication of a list. I have no intention of publishing such a list until after the Manchester conference," he said. "To do otherwise may be to pre-empt the rights of other MPs who wish to attend."

The conference in Manchester to-morrow will decide the rules of the election and the number of candidates allowed.

Mr. Steel's backers in the Parliamentary party include Mr. Clement Freud (Isle of Ely) and Mr. Stephen Ross (Isle of Wight). Mr. Jo Grimond, the interim leader, is also thought to favour Mr. Steel, although he will remain neutral during the campaign.

The third candidate Mr. Emlyn Hooson (Montgomery) has the support of his fellow Welsh MP, Mr. Geraint Howells. A fourth candidate, Mr. Russell Johnston (Inverness) might be unable to find a fellow MP to nominate him.

Mr. Johnson, who leads the Scottish Liberal Party, said yesterday that he would have to withdraw if the Manchester conference required candidates to have a Parliamentary sponsor.

The Scottish Liberal Conference, beginning in Perth next Thursday, is likely to be turned into a public hustings for the Liberal leadership.

All four contenders will be speaking, as will Mr. Grimond and the former leader, Mr. Jeremy Thorpe.

The conference will be the only important party function between the special leadership assembly and the election of a new leader at the beginning of next month.

Next week's business

COMMONS business next week is:
MONDAY: Debate on Northern Ireland security; opposed private business.
TUESDAY: Energy Bill, second reading: opposed private business.
WEDNESDAY: New Towns (Amendment) Bill. Armed Forces Bill, remaining stages.
THURSDAY: Debate on developments in the European Communities.
FRIDAY: Private Members Bills.
Lords debates are:
MONDAY: Development for Wales Bill, third reading; Agriculture Miscellaneous Provisions Bill, committee; debate on Cyprus.
TUESDAY: Lotteries and Amusements Bill, committee; Rating (Charity Shops) Bill, third reading; Weights and Measures (No. 2) Bill, second reading; Food and Drugs (Control of Premises) Bill, second reading; Dangerous Wild Animals Bill, second reading; Representation of the People (Armed Forces) Bill, second reading.
WEDNESDAY: Debates on the importance of the family, and on Government policy on legal aid and legal services.
THURSDAY: Fatal Accidents Bill, report; National Health Service (Vocational Training) Bill, second reading; Police Bill, second reading; debate on the conclusions of UNCTAD.

Mrs. Thatcher scorns peace offer

BY JOHN HUNT

SHARP EXCHANGES over the Government's Bill to nationalise aircraft and shipbuilding continued in the Commons yesterday despite the fact that an olive branch was tentatively held out to the Opposition by Mr. James Callaghan and Mr. Michael Foot.

The Prime Minister and the Leader of the House both indicated that they would like to see an end to the cold war now being waged by the Tories and a return to the usual pairing arrangements between MPs of opposing parties.

But there was no sign of a positive response from Mrs. Margaret Thatcher, the Opposition leader. She angrily returned to the allegation that the Government had only survived the crucial vote on the Aircraft and Shipbuilding Industries Bill because Mr. Tom Pendry, a Government Whip, had broken a pairing agreement.

"There is no question but that there was a broken pledge," she told Mr. Callaghan. "Do you propose to keep your ill-gotten gains at any price?"

She wanted to know if the Government proposed to redeem its broken pledge by dropping the Bill altogether.

Strongly resisting her allegations, Mr. Callaghan said he did not agree with her about the way the vote had been conducted. He did not wish to add to the difficulties between the two parties, but some of the accounts of what had happened on the vote did not tally with his understanding of what had taken place.

This brought Tory suggestions that Mr. Michael Cocks, the Government Chief Whip, should clear up the matter by making a full statement on what had occurred.

The Prime Minister, emphasising that both sides must work together if Parliamentary democracy was to continue, said he did not think a public version would help matters, though the Government might be prepared to reconsider this.

"I would prefer, if possible, to try to see if usual channels could be restored in other ways," he said.

The exchanges ended in stalemate, with Mr. Callaghan saying that if he could not pursuade Mrs. Thatcher that a pledge had not been broken..then the issue would have to rest there for the time being.

The theme was again taken up when Mr. Foot announced the order of business for the coming week—a list which did not include the postponed report stage of the aircraft and shipbuilding legislation.

He told MPs: "For the proper conduct of Government business, it is required as soon as possible that there should be the restoration of usual channels."

The Leader of the House also stressed that there was no question of dropping the Bill. "I still think it right we should get the Bill on to the Statute Book this session. The fact that I haven't announced it for next week does not prevent that happening."

Tory MPs jeered that the Government had "lost its nerve" over the Bill. Mr. Ian Gow (C., Eastbourne) recalled that Mr. Foot had said its was urgent to get it on to the Statute Book and wanted to know how this could be reconciled with the failure to announce further debate on the Bill in the coming week.

Potato yield prospects

BRITAIN should have sufficient potatoes to meet its requirements from this year's crop, Mr. Edward Bishop, Agriculture Minister of State, told the Commons yesterday.

Mr. Bishop said it was too early to make any firm estimate of production but the area planted was 6,000 hectares more than last year. "Given normal yields this should provide sufficient potatoes to meet our requirements," he said.

Minister warns on Soviet air power

BY JOHN HUNT

A STRONG warning that Russian air power posed a new threat to Britain was given in the Commons last night by Mr. James Wellbeloved, Under-Secretary for the Royal Air Force.

As a result, Russia could reach our shores and penetrate our defences with "massive weapon-loads," he told MPs

In the past five years he said, the Soviet Union had more than doubled its capability to attack Britain. Anybody who had doubts about the need for the multi-role combat aircraft should ponder that fact.

He maintained that the present Government had retained the capacity to defend Britain in the air. But he made it plain that it had no intention of going along with Left-wing demands for further defence cuts.

"To spend too little on the real current needs of our country would be catastrophic."

Winding up for the Conservatives, Mr. Victor Goodhew drew attention to the threat posed by Russia's growing submarine fleet.

Clash over Hamilton allegation

During the debate, Mr. William Hamilton (Lab., Fife C.) alleged that one of two men arrested outside the French Consulate in Edinburgh for possession of explosives was a prominent official of the Scottish National Party.

Mrs. Winifred Ewing (Scot. Nat., Moray and Nairn) tried to interrupt, on a point of order, to claim that the matter was sub judice, but Mr. Hamilton said that he intended to get the matter on record.

Another Scottish Nationalist, Mr. George Reid, also protested that the people involved were now before the courts and Mr. Oscar Murton, the Deputy Speaker, said he thought it better not to pursue the matter.

Powell in Commons reform study team

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE GOVERNMENT yesterday announced the names of 10 of the 16 members of the Select Committee on Procedure which will consider the reform of Parliament. With the suspension of normal relations between the business managers of the two major parties, the Conservatives have yet to provide names to fill their quota of six.

The committee will elect a chairman at its first sitting. He is expected to be Sir Thomas Williams QC, Labour MP for Warrington.

The committee's terms of reference are "to consider the practice and procedure of the House in relation to public business and to make recommendations for the more effective performance of its functions."

The committee will be permitted to form sub-committees to examine specific areas of Parliamentary procedure.

One outstanding name on the committee is Mr. Enoch Powell United Ulster Unionist MP for Down South. A doughty defender of Parliamentary sovereignty, Mr. Powell said in a debate on procedure last February that the Select Committee should attempt to strengthen the role of Parliament against the Executive.

Among the matters likely to be considered by the committee are streamlining of the legislative process, more suitable working hours and improved research services for MPs.

Perhaps the most fruitful area the committee will scrutinise is the possibility of increasing the amount of framework legislation that comes before the Commons. Legislation of this type would deal with guidelines and principles and leave the details to statutory instruments thereby, according to its proponents, lessening the burden on MPs and giving them a more strategic role.

The committee members announced yesterday are as follows: Mr. Alan Beith (L), Mr. Enoch Powell (UUU), Mr. George Cunningham, Mr. Michael English, Mr. John Garret, Mr. David Marquand, Mr. Giles Radice, Miss Jo Richardson, Mr. Nigel Spearing and Sir Thomas Williams (Labour).

Loans interest rise for councils

LOCAL AUTHORITIES and public corporations face increases in the rate of interest they have to pay on loans from the Public Works Loan Board and the National Loans Fund, Mr. Denzil Davies, Minister of State for the Treasury, announced last night.

He said there would be "small changes," mainly increases, not exceeding 1.5 per cent. as a result of a new method of calculation to be instituted to-morrow.

In a written Parliamentary answer, he said that the changes are being made to fulfil the Government's obligation to ensure that rates of interest on loans from the National Loans Fund are related to the cost of Government borrowing.

LABOUR NEWS

Some of the 46 employees of the National Bank of Pakistan in the City of London who walked out on unofficial strike over a pay claim yesterday.

The staff, who are members of the National Union of Bank Employees, allege that the bank delayed wage negotiations until the £6 pay-limit came into force last August. They have rejected a £6 offer from their management.

A NUBE official who met the management this morning with two of the strikers claimed later that about 10 managers had had pay rises of 76.5 per cent. within eight months because they were Pakistan citizens on overseas contract and exempt from U.K. pay policy.

The majority had not had a rise since 1974, the official said.

NUBE's claim that the bank should pay the same rates as the English clearing banks was recently turned down by the Central Arbitration Committee. As a result, the union is to meet the TUC to-day to seek advice on the dispute.

Many of the strikers are themselves Pakistanis, but are British citizens.

There was no reply from the bank yesterday.

Call for investigation into pension funds

BY ALAN PIKE, LABOUR STAFF

JOINT TRADE union management of all occupational pension schemes and an independent investigation into the way pension funds are invested were demanded by the General and Municipal Workers Union yesterday.

Mr. Jack Eccles, for the executive, told delegates to the union's Bournemouth congress that the "vast amounts" accumulated in pension funds which he expected would reach £2.8bn. this year, should be used to help industrial recovery and for socially beneficial purposes.

An estimated £500m., he said, would be spent in the property market and recent investments included the purchase by the National Coal Board of the lease on an office building which it then lent to the British Gas Corporation. "What depths of abuse have been reached when a publicly-owned industry plays the money game at the expense of another publicly-owned industry?" he said

The union wants the investigation, undertaken by a body independent of the pension fund managers and professional investors, to suggest ways of using funds for suitable purposes. It is also seeking trade union representation on trustee Boards which control the funds.

The congress approved a policy document which will seek to make all occupational pension schemes negotiable with trade unions and under their joint control when the Social Security Pensions Act becomes effective in 1978.

Pension negotiations are at present restricted by the pay controls and any improvement above the minimum contracting out level has to count against the wage limit. Faced with this barrier the GMWU is asking for written agreement from employers seeking to contract out of the state scheme that negotiations on improvements will take place when pay policy permits.

Mr. Eccles said that at least 25 per cent. of the unions' members covered in a recent survey were in inadequate pension schemes and bringing these up to the new minimum requirements would represent a real improvement.

Closed shop agreement for Co-op Bank staff

By David Churchill, Labour Staff

A CLOSED shop agreement for over 2,000 staff in the Co-operative Bank—claimed to be the first in the banking and finance sectors—is expected to be formally signed within the next few days.

The agreement does not allow for any exemptions on conscientious or religious grounds—except for a few senior management—as do agency shop agreements which enable staff to pay the equivalent union dues to charity.

Such agency shop agreements have been negotiated in the Trustees Savings Bank and the Yorkshire Bank.

The Co-operative Bank agreement gives the small minority of staff not in the National Union of Bank Employees two months in which to join the union. New staff will have to join within a month.

An agency shop agreement had been in operation at the Bank since the Conservatives' 1971 Industrial Relations Act prevented enforcement of a previous closed shop agreement. Since the Act was repealed by the Labour Government, NUBE has been negotiating with the Bank to introduce a full closed shop.

Mr. Eric Hutchinson, NUBE negotiator at the Bank, said last night that while the agreement allowed no exceptions, the union would favourably consider any genuine objections on religious grounds.

Financiers Britain's 'worst strikers'

BY OUR LABOUR STAFF

THE LONGEST STRIKE in Britain's history has been that of the manufacturers and financiers who have failed to invest in industry, Mr. Ron Hayward, Labour Party general secretary, complained yesterday.

In a speech to the Post Office Engineering Union's conference in Blackpool, he challenged them to match "the wonderful support" for the country given by the trade union movement.

"Let them now match their words with action. Let them invest in Britain and show that they are not in the ranks of the knockers: the doom and gloom brigade that sallies forth every week-end to sell Britain short both at home and overseas."

Mr. Hayward condemned shop-floor strikes too. The country could not afford the luxury of stoppages that could be settled by negotiation, he said. Only our foreign competitors could benefit from such action.

The British trade union movement as a whole, however, had responded with a magnificent spirit to the challenge of the country's economic troubles. He was confident that the unions would continue to support the Government.

The Government would reject both "siren calls to trim its sails," whatever the pressures, and calls for a coalition or a so-called government of national unity—a course he thought would be a calamity.

● A demand that the Post Office's 400,000-strong labour force should be allowed reduced charges for telephone installation and rental as an industrial perk was overwhelmingly rejected by delegates at the conference on the ground that it was "unprincipled and opportunist." The union's executive had been prepared to accept the motion as similar concessions are fairly common in industry.

Chapple seems set for victory

By Ian Hargreaves, Labour Staff

WITH a record poll in the fight for the general secretaryship of the Electrical and Plumbing Trades Union, the indications are that Mr. Frank Chapple, present incumbent, is heading for a comfortable victory.

If Mr. Chapple is successful he could remain in office until his retirement in almost 10 years' time without further election. Elections normally are held every five years, unless the general secretary is aged between 60 and 65. When polling closed on Tuesday, about 30 per cent. of the union's 414,000 members had voted. The average in past elections has been between 20 and 25 per cent.

Victory for the Right-wing Mr. Chapple will come as no surprise, although a landslide would be seen as thorough vindication of the general secretary's support for the pay policy. His two opponents in the election are Mr. Harold Best, a non-aligned Socialist, and Mr. Billy Williams, a member of the Trotskyite International Socialists. Results will be announced at the end of the month.

Gormley condemns Left-wing campaign

BY OUR LABOUR CORRESPONDENT

IN WHAT have almost become traditional recriminations following a National Union of Mineworkers' secret ballot, Mr. Joe Gormley, moderate NUM president, yesterday condemned Left-wing miners leaders for campaigning against the executive's successful recommendation that the union should back the Government-TUC pay pact.

But although Mr. Gormley and other NUM moderates on the union's executive spoke out against the activities of militants, including Mr. Arthur Scargill and Mr. Mick McGahey, presidents of the Yorkshire and Scottish miners, no disciplinary action was proposed.

After the Left wingers had defended their action by saying they campaigned against the executive recommendations in accordance with decisions of their own area executives, Mr. Gormley declared: "If we carry on this way, openly campaigning against executive decisions, it can only lead to the disintegration of the union."

The executive will decide next month whether to allow resolutions demanding £100 a week for coal face workers on to the agenda for the July annual conference. Indications are that, moderates will, armed with the 54 per cent. ballot result in support of pay restraint, use their majority on the executive to ensure that the £100 demand is not discussed.

Mr. Gormley also reluctantly ruled that two branch officials, Mr. Thomas Roebuck and Mr. William O'Brien, had no right of appeal to the national executive against their suspension from office by the Yorkshire miners' council.

The two officials were disciplined for their part in connection with a court action by Mr. Scargill against the Sheffield Star newspaper.

Mr. Gormley, who made his ruling after taking legal action, said later: "It is time we looked at our rules to see members have the right of appeal."

APEX meal voucher plea

By Our Labour Staff

A WHITE-COLLAR union has asked Mr. Denis Healey, Chancellor of the Exchequer, to raise the level of tax concession on luncheon vouchers by 25p, to 40p a day.

In a letter to Mr. Healey, Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, points out that the 15p rate has been unchanged since 1948, "when money would buy five or six times the food it does to-day, with the result that what was a worthwhile facility is now practically valueless."

Universities' attitude to unions

BY OUR LABOUR STAFF

A CONFIDENTIAL document circulating yesterday at the National and Local Government Officers Association annual conference in Eastbourne claims that University vice-chancellors are strongly opposed to trade union representation on their governing bodies.

This has led union representatives of the 65,000 non-academic staff in universities and colleges to protest to Mr. Gerald Fowler, Minister of State at the Department of Education and Science, that the vice-chancellors' attitude is hampering development of negotiating machinery.

The document, a minute of a meeting of the Committee of Vice-Chancellors and Principals, claims that "there was little justification for the kind of trades union participation in universities which was envisaged by Government as appropriate for industry."

Those universities whose present Royal Charters would enable them to introduce representation of non-academic staff are recommended by the committee to be "cautious about entering into commitments."

FINANCIAL TIMES SURVEY

Friday June 11 1976

Yugoslavia

President Tito, now 84, has used firm leadership to guide his country through a testing period. Politically there are still signs of unease in both domestic and foreign affairs, but the economy is picking up fast.

Steady on the chosen course

By David Lascelles
East European Correspondent

THERE IS no easier way to exasperate a Yugoslav official than to put to him the three questions most often asked about Yugoslavia in the West (and probably in Moscow too). Which way is Yugoslavia going; what about the nationality problem; and what happens after Tito? The official will probably give a despairing shrug and say it is all very simple. Yugoslavia's foreign policy is crystal clear—it is a non-aligned country and will remain that way. The nationality problem is not dead but has subsided with the new constitution granting equal rights to all. After Tito, Yugoslavia will continue as before with a new leadership already provided for under the constitution.

The official will then change the conversation to what Yugoslavia considers to be the great issues of the day: the problems of the Third World, the success of the Yugoslav self-management system, the difficulty of selling beef to the Common Market, and, if he is feeling irritable, the Macedonian problem.

In a sense, he is right not to prolong the discussion. Despite all the speculation there has been about Yugoslavia, the country is still steering its specially chosen course; internally, the level of individual freedom is about the same as it always was; as for post-Tito, everything possible has been done to ensure a smooth succession, and no amount of analysis has yet come up with a plausible and generally accepted scenario.

Nevertheless it would be difficult, unwise even, to ignore a country so close to everyone's *interests*, especially when its fate has for so long hung on one man—a man who has just celebrated his 84th birthday. So it is worth examining the trends that have evolved there over the *last year or two*.

Basically, Yugoslavia is now back in calm waters after the nationalities crisis of the early 1970s which nearly pulled it to bits. But it is clear that however much the appearance of normality has been restored, the leadership is less relaxed than it was before. This is partly because over-laxity led to the crisis. But the decentralisation of government power that was necessary to quell nationalist feelings and bring an end to the crisis has heightened the need *for* ideological and political vigilance.

Tighter

Tito, it might be said, is running a tighter ship than before. He is on his guard against challenges to the party line, especially *if they involve regional* interests or sympathies with alien ideologies, whether Soviet or capitalist. *This has brought* a steady stream of arrests and trials on such unfamiliar-sounding charges as liberalist-technocratism, bureaucratic-dogmatism and irredentism, all basically *offences against the principles* of self-management and non-alignment.

According to the Federal Secretary for Internal Affairs, Franjo Herljevic, 13 underground groups *comprising* nearly 200 people perpetrating these ideas were uncovered last year. *Judging by subsequent* trial reports they will have been sentenced to some five years' imprisonment.

Among the more spectacular cases was that of Srdja Popovic, *the lawyer who was barred from* practising independently for a year after he acted as defence counsel for one of Tito's critics with what the authorities clearly considered too much zeal. This extraordinary punishment shook the confidence of many people in the West who were prepared to sympathise with Tito's generally moderate brand of dictatorship, and it did Yugoslavia little good. The fact that Popovic's original sentence was reduced suggests that circles in Belgrade also felt things had gone too *far this time.*

BASIC STATISTICS	
Area	98,766 sq. miles
Population	21.3m.
GDP (1974)	407bn. dinars
Per capita	19,257 dinars
Trade (1975)	
Imports	131bn. dinars
Exports	69bn. dinars
Imports from U.K.	£94m.
Exports to U.K.	£24m.
Currency: £1=31.6 dinars.	

However, it would be wrong to conclude that a harsher attitude towards dissent means Yugoslavia is drifting towards Moscow. If anything, the crack-*down* is aimed at preventing just this.

Many of those arrested were advocating Soviet-type policies or were alleged to have connections with emigré organisations *operating from the Soviet* Union. In fact, relations between Belgrade and Moscow *have looked distinctly uneasy* for many months, and the Russians' disavowal at the be*ginning of this year of any* connection with these organisations' activities only brought a mild and short-lived improvement. Within a few weeks a Soviet spy was arrested in *Zagreb, and the reliably (though* never officially) predicted visit of Leonid Brezhnev to Belgrade was cancelled. An extra reason was Tito's continuing refusal to fall in line with Moscow's demands over the proposed summit of European parties, whose chances of being held *before next autumn*, or even in 1976, must be fading.

Internally, another reason for Tito's unease is the economy, which has *only managed to* survive the world crisis with sweeping measures to control imports, *discipline the use of credit and* hold down wages (there was no growth in real wages for two years). These measures entailed a certain compromise with the principles of self-management since they limited workers' rights to run their affairs themselves. They also pointed to a glaring weakness of the Yugoslav economic system: the fact that decentralisation has reached the stage where the central government has no everyday means of fine-tuning the economy. It either watches helplessly as *self-managing* workers take the wrong decisions, or it assumes sledge-*hammer powers—which cure* but also damage in the process.

However, news from the economic front is better now. Inflation is abating, employment is increasing, and foreign trade is showing healthier trends. And self-management, like any system, tends to work better when things are going well. Furthermore, the crisis appears to have brought home to Bel-*grade's policymakers the need* for a concerted attack on Yugoslavia's fundamental economic problems the *poor state* of its raw material, energy and primary industrial resources, and its inadequate infrastructure.

Awareness

The new Five Year Plan maps out a strategy which, if successful, would transform the Yugoslav economy from its present wobbly state into a well-balanced one with a sound material base, a broad industrial range and good foreign *trade prospects. It may not turn* out so rosily in practice (earlier attempts to channel investment *into the primary sector have* usually failed) and the planning procedure has been held up by endless consultations. But there seems to be a greater awareness of the problems.

Yugoslavia's reputation may have taken a knock in recent times, but for a country with a *strictly enforced one-party* system it has preserved a remarkable degree of variety and fluidity. Frequent travellers to East Europe find Yugoslavia literally seething with ideas compared with the woodenness of the Soviet bloc. Alien ideologies and cultures circulate in the form of newspapers, films, fashions and even among the tourists, who number over 5m. a year. Yugoslavs come and go as they please armed with a currency, the dinar, which *does not become worthless* the moment they cross the border. Yet the eroding effect of these *freedoms seems to be small.*

Furthermore, Yugoslavia has, in self-management, one of the most interesting socio-political systems in *Europe to-day*, and one which deserves more attention that it gets. There are weaknesses: it is immensely *complicated and time-consuming*. It relies heavily on the "guiding" role of the party for its effectiveness. But it offers individuals more scope for genuine participation in the country's economic and political affairs than most other systems claiming to operate in the name of the workers.

The fact that it is so widely *ignored has probably to do* with the outside world's almost exclusive preoccupation, when it comes to Yugoslavia, with the three questions listed at the top of this article—which, as that official would probably say, is a pity.

Economy begins to recover

LIKE THE rest of Europe, Yugoslavia has begun to feel its way out of recession. All the main economic indicators are showing healthy trends, and though 1976 will not rate as one of the economy's finest, it could, the government hopes, produce overall growth of 5-6 per cent.

The first signs of recovery came towards the end of last year when the balance of trade improved slightly in com*parison to the previous year*, which turned in a record deficit of $1.2bn. To some extent this *was due to the marked indus*trial slowdown, which reduced imports. But the Government could also claim credit for better management of resources, while exports had begun to rise too.

As 1976 got under way it produced further encouraging signs. The growth in industrial production, which had slumped *to zero in the middle of last* year, began to accelerate, reaching an annual rate of 3.6 per cent. in March. Inflation also began to fall quite fast *from its 1975 peak of 30 per* cent. to some 11 per cent. in April, the month that produced the first rise in real wages for two years. There has also been a growth in employment of 5 per cent. over the last 12 months, which has gone some way towards offsetting the return of a quarter of a million migrant workers from the recession-hit countries of Western Europe.

Average

According to Dr. Berislav Sefer, the vice-president of the Federal Executive Council responsible for the economy, Yugoslavia expects industrial growth to average out at 6 per cent. this year, though the rate will have reached 7-8 per cent. by the final months.

But encouraging though the trends have become, the Yugoslav economy is still grappling with serious problems, which could take years to solve. The Government is tackling them on two levels. It has an immediate policy extending to the end of this year, and it has a long-term policy, now in the final phases of formulation, to guide the economy until the end of the decade.

According to Dr. Sefer, immediate policy consists of *raising industrial production* and revenues, reducing inflation, bringing about a better division of resources between accumulation and consumption, and reducing the foreign deficit.

The low level of industrial production, usually the most *dynamic feature of the Yugo*slav economy, is a major source of concern. According to Dr. Sefer, this is due partly to faults in the structure of industry, which is too heavily *weighted towards processing* and insufficiently towards primary industries. But he *also blames lack of foreign* demand, and a drop in home consumption due to low invest*ment and construction activity* and stagnant purchasing power.

Other commentators believe *industrial production has also* suffered from the effects of a new law severely limiting the use of credit in commercial transactions. The law was designed to check purchases made without proper credit, but this has made it difficult for trading organisations to finance new stock, and they are therefore only buying goods they are sure they can sell quickly.

With Yugoslav prices still high by world standards and reducing the country's international competitiveness, a further large reduction in inflation is seen as of vital importance. Although the drop in demand could force prices down, especially on the home market, there have been rises in world *commodity prices* which Dr. Sefer fears could exert an upward pressure. However, he *hopes to have Yugoslav inflation* down to the European average by the end of the year.

The rise in employment is presented as a good sign, although it clearly places the Government in something of a dilemma. The creation of more jobs has eased social tensions, but it has also reduced efficiency at a time when Yugoslavia needs to cut its costs and improve the exportability of goods. It is hard to pin down exact policy on employment, probably because party and Government disagree over it, the first pressing for more jobs on political grounds, the second *resisting on* economic ones. Similarly, attempts to identify the exact *number of unemployed* can lead into a maze of confusing distinctions between jobless, job-*seekers, and migrants.* However, the total number of employed last year was put at 4.8m., less than a quarter of the total population and a very low figure by international standards, so the pressure to create more jobs must be very strong.

The poor rate of investment,

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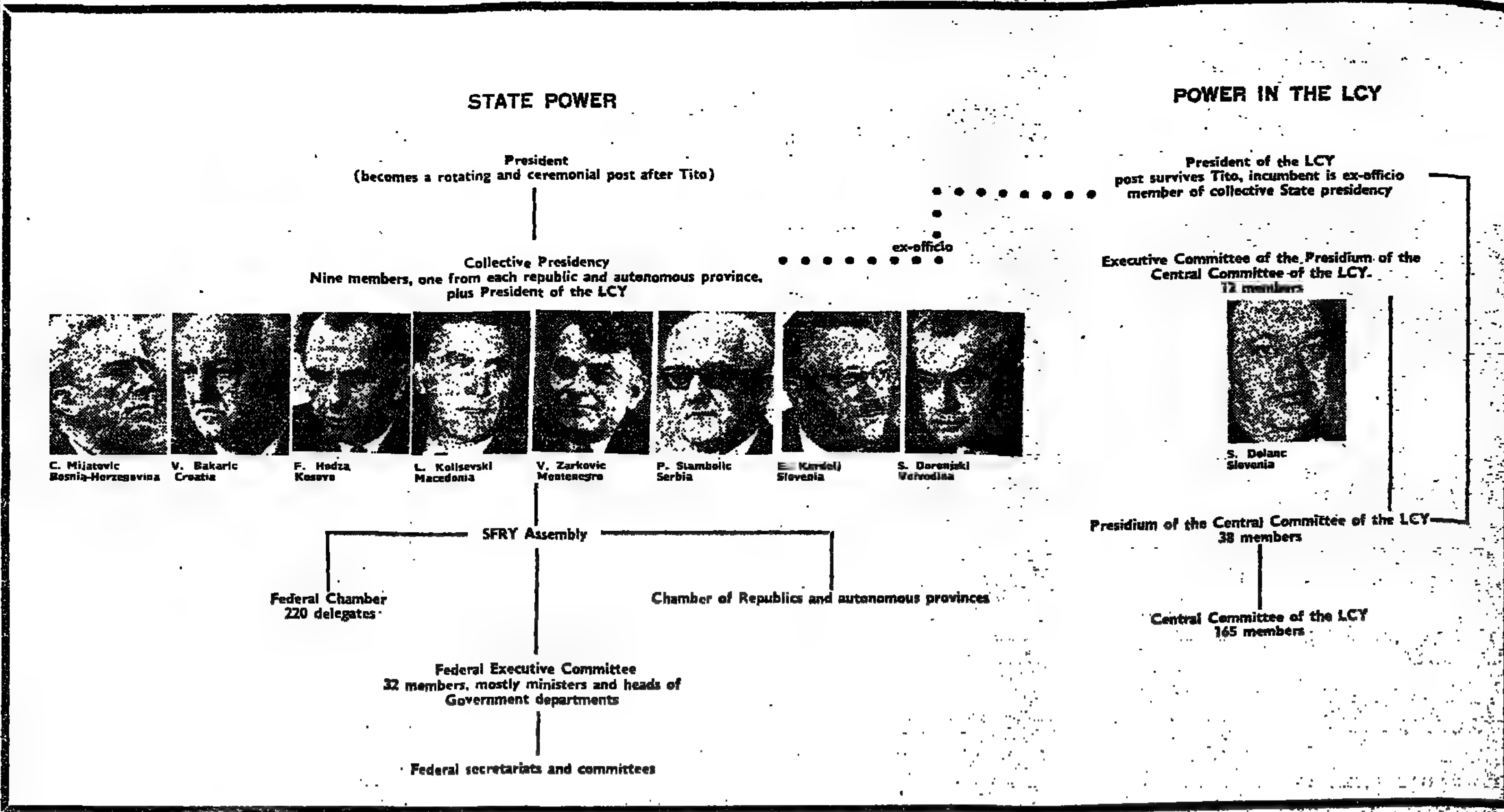

The succession to Tito: no clear answer

THE ETERNAL question about Yugoslavia is what happens when President Tito, just 84, goes. Even the most experienced observers of the Yugoslav scene have no ready answer. Some express anxiety, others seem confident that the system Tito created has developed a momentum that will keep it going without him.

All that can be said with certainty is what is supposed to happen.

Aware of just how vulnerable his country is to outside pressures and to its historically quarrelsome nationalities, Tito has gone to some lengths to prepare his succession and ensure that his departure does not herald the end of Yugoslavia as he shaped it. In effect he will be succeeded not by one person, but by a group of people representing the main national interests.

The succession mechanism he built up and enshrined in the 1974 Constitution embraces both the party and the Government, and it is designed to create a power structure flexible enough to accommodate Yugoslavia's eight major nationalities, and strong enough to discourage outside interference.

At the moment Tito is both President of the Socialist Federated Republic of Yugoslavia (SFRY) and President of the League of Communists of Yugoslavia (LCY) putting him at the pinnacle of both party and state. But constitutionally he shares supreme power with the so-called Collective State Presidency, a group of nine men which consists of himself (ex-officio as President of the LCY) and one representative from each of the eight republics and autonomous provinces (Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia, Kosovo and Voivodina). This "one-region one-vote" system was considered fairest even though populations vary widely, from half a million in Montenegro to over five million in Serbia. The eight members are elected for four years and take it in turn to be vice-president for a year.

Larger

The top body in the LCY is the cumbersomely titled Executive Committee of the Presidium of the Central Committee of the LCY, the closest thing Yugoslavia has to a Politburo. Apart from President Tito, it has no members in common with the State Presidency and is somewhat larger. Its 12 members consist of representatives from all the regions plus the army.

Because of Tito's stature it is hard to say whether real power lies in the State or party organ. But the Collective State Presidency, as the smaller and more tightly-knit group of men (including as it does some of Tito's longest-standing comrades) seems to carry the greatest weight.

When Tito goes, the post of outright President will die with him, and he will be succeeded by the Collective Presidency en bloc (though members will become titular President for a year for purely ceremonial purposes). Yugoslavia will thus join Switzerland in having a rotating president.

But there is a loophole in this set-up, which appears otherwise to guarantee complete equality at the top. The post of President of the LCY will live on, enabling one man to be singled out as *primus inter pares*. Quite how much extra power he exercises will probably depend on who he is. There are no official successors to Tito for the post, but if he died tomorrow, it would almost certainly be Edvard Kardelj, Tito's right-hand man for over 30 years and the inspiration behind the self-management system.

Quite how the mechanism will work in practice is hard to predict because the loyalties that are supposed to hold it together will not face their real test until Tito goes. Also, it is difficult to say which positions will turn out to be ones with real power. Though obedient, the army is represented at the highest levels, and it may well have a hand in shaping future governments. Born as it was in the partisan struggle for independence, its views are likely to be Titoist. But it would not be surprising if the LCY itself was used as a springboard by the ambitious.

Among the most powerful party officials to-day is Stane Dolanc, the Secretary of the Executive Committee of the CC Presidium, a comparative newcomer to the political scene who only became noticed in 1972. In other Communist countries the equivalent position is normally held by the country's strongman (Brezhnev, Gierek, Honecker, Kadar). However, Mr. Dolanc is a Slovene, and his way forward would probably be blocked by the fact that Mr. Kardelj, another Slovene, was President of the LCY.

This points to a major precondition for the success of Tito's mechanism: the need for perfectly equal distribution of power between the republics and autonomous provinces. But here again, an exception will have to be made for the nationality of whoever becomes LCY President, since he will occupy a seat on the State Presidency where there will already be a representative from his republic.

Again, because of Tito's dominance, it is hard to attach more than flimsy labels to the present members of the collective presidency in attempting to define their personal views and likely behaviour once their room for manoeuvre expands. But clearly, the longer Tito survives, the more firmly established the mechanism will become, and the greater the present system's chances of survival.

David Lascelles

Economy

CONTINUED FROM PREVIOUS PAGE

which has contributed to the drop in industrial production, is ascribed to the low profit margins enterprises have been earning in the last year or two. It has also meant that too large a proportion of the country's resources have gone into consumption, a trend which the Government hopes to reverse by stimulating enterprise revenues.

However, the greatest uncertainties concern foreign trade (discussed more fully elsewhere) because it depends on developments over which Yugoslavia has little or no control. Although Yugoslavia was able to claim a balance of payments surplus in May, it is generally expected to relapse into deficit by the end of the year as accumulated stocks run down and the rise in industrial production begins to suck in imports.

Failure

The causes of many of these faults can be traced back to Yugoslavia's failure to develop its primary industries because of the comparative ease and speed with which profits could be earned on processing industries. This means the country's industrial base is too small for major expansion; it is also a reason for the trade deficit since Yugoslavia imports many primary products, including food, which it could produce itself.

Remedying this weakness is a major aim of the long-term Plan which is due to be published in July. According to Yugolsav sources it will lay stress on development of power, primary materials, metals, petrochemicals and infrastructure, particularly transport. Some progress has already been made in these fields. Contracts have been signed for the construction of the country's first nuclear power station. There are also major deals in oil and petrochemicals, and plans have been announced to duplicate the country's main north-south highway, the autoput, by the early 1980s.

Even so, the plan will entail a massive mobilisation of resources, for which Yugoslavia will have to turn abroad. It hopes to cover a large part of its needs through the World Bank and other specialised agencies. But it also plans to make sparing use of export credits and commercial loans, as well as drawing on internal resources.

Other priorities will include the development of agriculture, particularly cereals and sugar beet, the development of the machine and shipbuilding industries and further growth of tourism. Overlying the whole Plan is the general aim of improving Yugoslavia's reliance on its own resources, though not at the cost of foreign trade, which Yugoslav officials say will consist increasingly of manufactured goods and decreasingly of raw materials.

D.L.

Active foreign policy

FEW WORLD leaders, and certainly none over the age of 70, travel so much or receive as many foreign visitors as President Tito. Though now well into his eighties, he still makes several State visits a year; in 1976 alone he will have called on countries in Europe, Latin America and Asia, to meet literally dozens of other government leaders.

At the same time, few diplomatic services are quite as tireless as the Yugoslavs in putting over their country's point of view. The Federal Foreign Ministry, a grand 19th century building on one of Belgrade's busiest street corners, has a well-oiled system for taking in visitors for briefings on every conceivable issue from the Helsinki Declaration to the Albanian Question.

There is nothing new, of course, about Yugoslavia's active interest in foreign affairs, or its drive constantly to bolster its international position. Its leaders are fully aware that however warmly East and West pay tribute to its policy of non-alignment, neither side will ever be completely happy about the way Yugoslavia is going, and that its antennae must therefore be on permanent alert and its position constantly explained and justified.

But is is noteworthy that instead of adopting the passive neutrality of other countries like Finland or Austria which are similarly jammed between the two blocs, Yugoslavia is always seeking an active role. It not only co-founded the non-aligned movement: it is usually among the most enthusiastic supporters of international dialogues like the European Security Conference, the Balkan Conference, the Law of the Sea and UNCTAD, where its delegates always arrive armed with proposals and ideas. It is constantly lobbying for settlement of trouble spots like the Middle East, Cyprus and Southern Africa (not without taking sides), and if President Tito is not off abroad, his Foreign Minister Milos Minic usually is.

Outspoken

Significantly, one European country with which Yugoslavia finds it has most in common is Sweden, whose outspoken and Left-leaning but neutral foreign policy has obvious parallels in Belgrade. During his recent visit to Stockholm, President Tito spent seven hours in deep conversation with Prime Minister Olof Palme in what the Yugoslavs describe as one of his most fruitful dialogues.

All this activity was originally conceived as a way of strengthening Yugoslavia's independent identity, and with its every word and deed under close scrutiny from the two blocs, this is still important. But nearly 30 years after Tito broke away from the Soviet bloc to face an uncertain and lonely future, there are other reasons too.

One is that having allied itself with the developing world through the non-aligned movement, Yugoslavia has become a champion of its causes, particularly relations between the developed and developing worlds. Belgrade argues that the most important division in the world to-day is not East-West but North-South and that the sooner the industrialised world, which is busy arming itself to the teeth, realises this the better. (Yugoslavia is particularly critical in this respect of the Soviet bloc, whose aid effort it characterises as mean and often unhelpful.)

Although Yugoslavia itself suffered dearly from the oil crisis, it backs the use of commodity power as a way of strengthening the political lobby of the Third World. It has itself joined the Bauxite Agreement, and it hoped for progress at the recent UNCTAD conference though, according to its preliminary assessment, there seemed to be little meeting of minds there.

The next step in the struggle will be the summit of non-aligned countries due to be held in Colombo in August. Yugoslavia hopes this meeting—which will be attended by several dozen countries, including Sweden, Romania and Portugal as guest nations—will further strengthen the political and economic cohesion of the non-aligned movement.

Political

But this will have to be achieved through policy co-ordination, nothing more, because the non-aligned movement refuses to form itself into a political bloc, partly because it is against blocs, partly for fear of bringing out inevitable divisons between its members.

Closer to home, Yugoslavia's active interest in European affairs has brought it the duty of organising the Helsinki follow-on conference in Belgrade next year. Diplomats admit to some disappointment with the results of the Helsinki Declaration. As future hosts to the participants, they are reluctant to point accusing fingers; nevertheless their worries are not hard to discern.

As far as West Europe is concerned, the EEC's continuing refusal to relax its strict import regime, particularly on beef, has compounded Yugoslavia's foreign trade problems. Not that Belgrade expected these curbs to evaporate in the wake of Helsinki, but it drops frequent reminders that the Declaration contains a section on economic co-operation too.

This has led to a drop in the EEC's share of Yugoslav foreign trade, and an increase in the share of Comecon, a development with possible political implications now reinforced by a long-term agreement to double trade by 1980.

Relations with Eastern Europe, bedevilled last year by alleged pro-Soviet agitators (known as Cominformists or neo-Stalinists in Yugoslavia's heavy political jargon), improved with an announcement by Pravda that the Soviet Union did not support their activities. Though a rather curious disclaimer, this had a healthy effect on Yugoslav-Soviet relations. The agitators are said to have been hundled out of their Kiev refuge and sent to the West, and Yugoslavia quietened down the publicity given to trials of Cominformists arrested last year.

But this improvement still looks rather shaky. Authoritative leaks from Belgrade that the upswing would be capped with a visit from Leonid Brezhnev were followed up by equally well-sourced reports that the visit had been cancelled. The reason, it appears, is Yugoslavia's continuing resistance to Soviet proposals for the conference of European Communist parties, which has strained Moscow's already sorely tried patience (preparations for the conference have been going on for over two years).

Yugoslavia has not softened its demands that the conference should be open throughout, that it should not condemn other parties, notably China, and that it should recognise individual parties' rights to map their own way forward. Although Moscow has made concessions to this position (which Yugoslavia does not occupy alone) it is unable or unwilling to concede further, and the cancellation of the Brezhnev visit indicates that it now views Yugoslavia's behaviour with some bitterness.

In fact, the cancellation served to offset the growing impression that Yugoslavia was heading for a major rapprochement with the Soviet bloc, as was suggested by the improving economic and political links. The Yugoslavs themselves, however, have been quick to re-emphasise their country's basic position. The trends in trade, they say, are not of their own making, and they would prefer to see a big expansion of business with the West. As for political relations with Moscow, these remain based on the Belgrade Declaration in which the Russians recognised Yugoslavia's independence.

In a speech delivered as the cancellation of Mr. Brezhnev's visit became known, President Tito spoke of his foreign policy in the following terms: "We shall not give in to pressure from anyone. We shall continue to work persistently so that the greatest possible number of countries will be gathered in the non-aligned front against all attempts to break us up."

D.L.

Trade liberalisation is put on ice

AFTER the economic reform of 1965, Yugoslavia planned to liberalise import regulations to the maximum until imports would eventually be almost completely free. Any potential importer would simply go to his bank and ask for the foreign exchange necessary to pay for his goods. There were to be no administrative controls, licences and the like.

Whether that was a realistic hope is another question, but there is no doubt that Yugoslav authorities worked towards that objective. In 1967 the proportion of liberalised imports was 16 per cent., and by 1974 62 per cent.

Mr. Emil Ludwiger, the Federal Secretary for Foreign Trade, told the Financial Times it had been planned that by 1975 it would reach 85 per cent. Almost apologetically he explained that this could not now be carried out under the changed circumstances, and that reluctantly Yugoslavia had had to apply measures of self-defence in the form of import controls and restrictions.

Obstacles

The circumstances are well known. Because of huge price increases for oil and other imported goods on the one hand, and obstacles to exports due to the recession and protectionism in the developed countries, the trade deficit soared. In 1973 it amounted to $1.658bn. (which was more than covered by invisible earnings); in 1974 it reached $3.715bn.; in 1975 it was reduced to $3.549bn. but only thanks to extraordinary measures. By mid-1975 it became clear that the situation had deteriorated to such a degree that the external liquidity of the country was jeopardised. So temporary import licences were introduced for about one third of imports, imports were tied to exports, and imports of equipment limited.

Temporary import licensing ended on December 31 last but the other two measures are still in force, complementing the foreign trade regime. All details are not yet quite clear, causing some headaches for commercial counsellors in Belgrade. Basically, would-be importers have to tie their imports to their exports, but the proportion is neither fixed nor uniform. That is left to the companies themselves within the framework of guidelines laid down by the chambers of economy, with the collaboration of banks and federal and republican authorities. In a way every company, industry, commune and republic or autonomous province now has to take care of its own "balance of trade." Part of this might even be institutionalised later by legislation already under discussion.

Import of equipment, mainly industrial, is the most difficult problem. Yugoslavia needs modern technology, modern machines and other equipment, and is willing to import them, mainly from the West. However, there have been many drawbacks. One of them is that companies relied too much on credit, which was easy to obtain. With the recession, all exporting countries offered favourable credit terms which could not be matched by the Yugoslav machine building industry. Thus even in fields where local producers were competitive in quality, prices and delivery they could not get orders.

As a result, companies placed so many orders for equipment abroad that they have tied up most of their investment funds this way. The government was forced to apply the brake, and it limited imports to what the balance of payments allowed. This caused hardship for quite a few companies, which saw their projects stranded because they could not import equipment—costing in some cases comparatively little—to complete installations. Not surprisingly the government has since been bitterly attacked for its actions. But the hope is now that some more acceptable long-term solution can be hammered out.

Everything will be easier if the trends of the first four months—and especially April—continue for the whole of 1976 and beyond. Exports in this period increased 15 per cent. over the corresponding months of 1975, while imports went down 12 per cent. April-to-April exports increased 35 per cent., while imports were reduced by 22 per cent. Thus imports were covered by exports to the tune of 66.85 per cent. for four months and 74.22 per cent. for April, while the respective figures for last year were 51.04 and 42.93 per cent.

Deficit

In the first four months exports to the developed countries increased by 25 per cent., while exports to the Socialist countries increased 7 per cent. and to the developing countries 12 per cent. On the other hand, imports from developed countries were only 77 per cent. of last year's, those from Socialist countries 110 per cent., and from developing countries 95 per cent. This means that Yugoslavia's trade deficit with the developed countries, which is the bulk of the overall deficit, has been reduced. If this trend persists, it could lead to a relaxation of import restrictions and renewed efforts to liberalise trade, meaning in the first place Western imports.

That will be most welcome since Yugoslavia, as was recently pointed out by both Mr. Ludviger and the vice-premier Mr. Berislav Sefer, is keen to trade with the West, for economic, technological and political reasons. This country has many links with the West. Its best markets are there, its technology is Western-based, it uses Western capital markets, almost a million migrant workers work there, the bulk of the tourists come from Western countries, etc. Yugoslavs are eager to attract Western capital for joint ventures, industrial co-operation and the like, to use Western technology, licences and know-how. But it is only normal that they want balanced trade.

This country is also interested in developing links with Western institutions (it already collaborates with the OECD, and is a member of the World Bank and the IMF), including the EEC.

The interest is limited, however. It stops short of over-dependence, be it on West or East. Experience has taught the Yugoslavs how dangerous that can be. This is why they try to achieve a certain balance between East and West, while sparing no effort to develop economic co-operation with the Third World, of which they are an active member even if this irks the big powers.

Aleksandar Lebl
Belgrade Correspondent

FOREIGN TRADE
(bn. dinars)

	1974	1975*	1st qtr. 1975	1st qtr. 1976
Total exports	64.7	68.5	22.4	25.6
Total imports	127.9	128.8	43.8	38.3
Exports to developed countries			8.7	10.9
Imports from " "			27.4	21.2
Exports to socialist countries			10.5	11.2
Imports from " "			10.1	11.1
Exports to developing countries			3.1	3.5
Imports from " "			6.3	6.0

* Provisional.

ENERGOINVEST IN ITS SILVER JUBILEE YEAR

This year, Energoinvest of Sarajevo, Yugoslavia—the company for design and construction of power and industrial plants—celebrates 25 years' existence. The occasion, which was marked by a recent jubilee celebration, provided an opportunity to look back over the past years and to announce to the public the achievements and results of the successful development of Energoinvest up to the present day.

Energoinvest was founded in 1951 as a design organisation with the task of designing hydro- and thermo-electric power stations. At that time it employed fewer than one hundred people. Over the 25 year period it grew into a large industrial group, organised on the Yugoslav workers self-management principle, and is a complex organisation of associated labour. Today, Energoinvest employs more than 32,000 people, who are engaged in various production fields. In 46 Yugoslav towns, 11 mines, 2 refineries and 37 factories are operating, producing equipment and installations for: the electrical and machine manufacturing industry; processing oil and non-ferrous industries, with a total output of over 1500 individual products. Within the Energoinvest organisation there are two aluminium combines under construction. The future production will be based on raw materials from their own 7 mines and will extract and process the bauxite and alumina into aluminium.

Energoinvest's rapid development was made possible through integration with a number of other industries whose production programme was complementary to the basic activity and development plans of Energoinvest. This was followed by further capital investment in the modernisation of those integrated plants, and by the establishment of new production units.

In this way Energoinvest had systematically created its own resources for the execution and realisation of its own projects in the fields of power and industry according to the market demand.

A good business policy made sure from the very beginning that the volume of production was planned in such a way as to satisfy domestic needs and to provide for export demand as well.

Today, the products of Energoinvest are well known worldwide for the equipment and installations for: transmission and distribution of electric power; the processing industry; thermo- and hydro-electric power plants; the oil and chemical industry; metallurgy; processing of non-ferrous metals; the food and pharmaceutical industry etc.

In Yugoslavia, Energoinvest has so far designed and constructed 40 electric power stations in which all the equipment and installations come from its own factories. The identical equipment was delivered and erected for three electric power plants in India and two in Indonesia. Also, by providing their own designs and equipment Energoinvest completed projects such as the electrification of dwellings in East Java, Libya and Bangladesh. In Pakistan the electrification of the irrigation system containing more than 3000 wells, was also carried out.

In Yugoslavia and throughout the world Energoinvest has supplied more than 50.000 km. of transmission lines of up to 500 kV voltage. Currently, the company is involved in the building of a "380 kV ring around Yugoslavia".

Energoinvest applies the most modern technology to all its activities. Static calculations and positions of transmission-line pylons are determined by computer. In the processing plants built by the company, their own systems for automation in production and control are installed. Energoinvest designs, produces and builds systems for: control, regulation and measuring; remote control; data programming and complex automation of production control and safety protection. All these systems were and are still being created in Energoinvest's own nine scientific research institutes. The task of these institutes, which have laboratories with the most sophisticated equipment, is the follow up and quality control of Energoinvest's total production.

For many years Energoinvest has been engaged in a wide sphere of international co-operation which has been put into practice in several ways:

— by supplying products and services

As one of the largest producers of equipment and installations in its own country, it has also exported products to: Ghana, USA, Canada, Mexico, Indonesia, India, Pakistan, Bangladesh, Iran, Afghanistan, Iraq, Kuwait, Egypt, Sudan, USSR, Poland, Czechoslovakia, Kenya, Libya, Zambia etc.

— by forming joint companies

Up to now Energoinvest has formed: a joint production company in Mexico "Energomex"; an engineering company in Libya, "Energo-project"; in Yugoslavia, together with the French company Technip, a joint company, "Petrolinvest" for the design and building of oil and petrochemical plants.

— Energoinvest is buying and selling "Know-how" and production licences.

— it accepts foreign capital investment for its production development, especially for the primary production and processing of raw materials.

— it realises co-operation for joint ventures into third markets.

— it also develops other types and forms of international business co-operation through its 23 representative offices throughout the world.

It may be stated that Energoinvest fits successfully into the international division of labour.

On the occasion of its 25 years of existence, Energoinvest has just completed the shooting of a new documentary film. In order to provide more detailed inside information concerning the business opportunities for working together with foreign companies as business partners, it will be glad to send a copy of the film free of charge to all interested parties, on application to the following address:

Energoinvest-Sarajevo, Public Relations Department, Ulica JNA 20, 71000 Sarajevo, Yugoslavia.

The film is dubbed in English, French, Russian and Arabic.

Five Year Plan nears completion

SOMETIME THIS summer Yugoslavia will get its new Five Year Plan for 1976-80, when the Federal Parliament adopts the Government's long-discussed proposals.

Earlier this year parliament passed the law on planning, which had also been under discussion for a long time. It is a basic law aimed at shaping the Yugoslav self-management system in accordance with the principles contained in the 1974 constitution.

The Yugoslavs know exactly what they do not want from plans and planning, but have never been quite sure what they do want. They have been against a free-for-all economy, and against the completely free play of market forces. But they have also been against centralised and administrative State planning, because it lacks understanding of the needs of the people and ignores the market. Both, they believe, are incompatible with their self-managed economy, with its blend of both *planned and market activity.*

The solution the Yugoslavs are trying out is something new. Their Constitution says that workers, grouped in their basic and other organisations, have the right and duty to make plans which are neither subordinate nor superior to the plans of territorial units (communes, republics and autonomous provinces, the federation), nor are they fixed in advance for a given period but are continuously being adapted to changing needs and circumstances.

This means that there can be no plan which is not the result—though not necessarily the sum—of previously made plans from workers' organisations. These is turn have to be made in a new way. An organisation must make its plan after having reached agreement with other organisations to which it is linked either as supplier, buyer, distributor, etc. The same applies to broader groupings of associated labour such as enterprises, amalgamated firms, or whole industries.

However, this principle has not been applied this year because it is complicated and time-consuming. Instead, it was decided that the plan would be produced with all republics and autonomous provinces agreeing on behalf of their organisations of associated labour.

The preparations for the 1976-80 Plan began almost a year and a half ago, before the Law on planning was passed. Early this year it was decided not to wait until everything was agreed but to send the draft plan to the federal parliament for debate and suggestions.

Thus, between February and May, three parts of the draft Plan were sent to the federal Parliament. The first was about "The common interests and objectives of social and economic development," the second about "The guidelines and frameworks for adopting economic policy measures," while the third's title is "Specific tasks and duties." But some questions were postponed until everything was prepared. Right now the entire package is being discussed.

The first part of the plan laying down overall strategy states that during the next five years "changes in the patterns of production and investments, as well as in the *forms* and directions of economic links with the world market, will require extensive restructuring in the organisation and operation of the economy and a considerable reallocation of social capital." The next five-year period, it is said, will be tougher than the last because of the difficulty of investing while the economic system still requires improvement, the mobility of capital is inadequate and the balance of payments is a limiting factor.

Seasonal

The rate of growth of the GNP over the next five years is planned at about 7 per cent., compared to 7.5 per cent. planned and 6.3 per cent. realised in 1971-75. Average industrial production should grow by some 8 per cent., and agricultural production by 4 per cent. For the first time an alternative is also spelled out, that under exceptionally complicated circumstances the overall rate of growth should not be below 5 per cent., and that of industrial production 6 per cent.

Employment should increase *at an average rate of 3.5 per* cent., productivity 4 per cent., fixed investments 8.3 per cent., living standards 7 per cent., personal consumption 6 per cent., real wages 3.5 per cent. Fixed investments should grow faster than the GNP and other forms of consumption, social consumption (mainly housing construction) faster than personal consumption and productivity faster than real wages. The share of industry in the GNP should increase from 40.4 to 43 per cent. at the expense *of agriculture (a fall from* 16.2 to 14 per cent.), although the latter would nevertheless be strengthened in absolute terms. Activities will be developed which engage internal purchasing power and are based mainly upon local raw materials. Processing industries which contribute towards bigger exports will develop faster, while the rest should develop *within the framework of* the balance of payments and the needs of the home market.

Within industry the share of basic metals production should increase from 8 to about 9 per cent., of the chemical industry from 8 to 10 per cent. of the total. Energy generation, production of equipment, non-metals and construction materials should also increase their respective shares, while the share of all other industries should be reduced from 50 to 44 per cent. All this is subject to changes in the legislative procedure.

As for the second part of the Plan, its main chapters are those on stimulating investment and securing foreign finance. Regarding investment, emphasis will be on fuller utilisation and modernisation of existing facilities, on *programmes which eliminate* bottlenecks and those which involve products with assured markets, which have arranged for sources of finance, energy, raw materials, etc., those which produce jobs and which are important to defence.

Foreign finance should first of all be arranged by Yugoslav firms themselves, either directly or through banks, with priority for credits which can be used to pay for local equipment and construction work as well. Joint investments should be encouraged.

Improved

The third and final part of the Plan spells out specific tasks and targets as agreed between republics and autonomous provinces. This part sets priorities, "activities of particular interest for the agreed policy of Yugoslavia's development," as they are officially called. But there has been disagreement over how many of them there should be. At the moment there is complete agreement on four areas: non-metals, machine building, railways and trunk roads. On basic chemicals, ports and telecommunications and foreign tourism there is "near agreement," while agreement is still lacking on energy generation, ferrous and non-ferrous metallurgy and the agro-industrial complex. Agreements on air transportation, sea and river navigation are at the drafting stage.

There were some fears that reserving in advance the bulk of investment for priority activities would inhibit normal development of the remaining ones. Differences, however, have been overcome to a large extent and by July the Five Year Plan could be wrapped up.

A.L.

Industrial output slows down

INDUSTRY IS by far the most important economic activity in Yugoslavia, with a constant upward trend both in the volume of production and in the share of the GNP. But it has its problems as well as its achievements. To its credit, it satisfies the rising demand of the local market and provides the bulk of the country's exports. It manufactures many sophisticated products, some of them under licence. It has entered into co-operation and other agreements with foreign firms, in many cases as equal partners.

So far as its problems are concerned, there are two main ones. The first is short term, possibly cyclical: the second long term and structural.

Complicated

The short-term problem is the fall of output in absolute terms which was registered last April. In the second half of 1975 there was already a slowing down in the rate of growth of industrial production, and that trend became even more distinct in the first quarter of 1976. Last April the index was only 95.7. This is causing grave concern to the authorities and to political organisations, and there are moves to check unwelcome trends, although there is no consensus as to their cause or scope.

One of the reasons may be measures introduced in April to discipline commercial relations. Necessary though these measures were, they made firms, both in production and distribution, cautious about purchasing goods, fearing that they would not be able to pay according to the strict terms prescribed by the regulations and that they would thus face sanctions.

That is probably true to some extent, but it does not necessarily mean that this is a bad thing. Some Yugoslavs believe the authorities should stick to their measures and not get nervous under stress, while others would rather see the measures diluted.

Another explanation is that internal and foreign demand have been weak, for all categories of goods, though personal savings are up, mainly because the supply mix is wrong.

The federal Government has tried to boost demand. As from mid-May hire purchase credits for almost all goods can be obtained with only 10 per cent. down payment, instead of 20 per cent. before (cars being an exception where the 20 per cent. is still required), and there have been statements that this will go down to 5 per cent., with even longer repayment periods. Turnover tax was reduced on most building materials to stimulate housing construction, and on many durable consumer goods as well as leather goods, footwear and spirits, etc.

Specific

The structural problems of Yugoslav industry stem from the fact that the country has often resorted to building processing industries, which were less capital intensive and offered quicker returns, rather than investing scarce resources in projects which were very costly and offered low returns over long periods of time. There have been attempts to rectify this fault but they have so far failed. In the last five-year plan the following patterns of investments were foreseen:

PATTERNS OF INVESTMENT

	1966-70	1971-75 plan	1971-75 actual
Energy	31.5	37.5	23.5
Raw and production materials	33.4	33.2	31.4
Other industries	35.1	27.3	45.1

As can be seen, the situation at the end of the planning period was worse than at the beginning, for reasons beyond the scope of this article. Suffice it to say that this time planners are determined not to allow a repeat performance. Broadly speaking, production of energy, raw materials (plus food) will have absolute priority and every effort will be made to persuade workers in their basic and other organisations of associated labour that it is in their best *interests to invest in priority* industries. As to what those are exacly, the final word will come with the adoption of the new Five Year Plan, 1976-80.

Although in principle the State will refrain as much as possible from interfering in the economy, but it will nevertheless intervene, as it has already done in a few cases, if the interest of the whole dictates it.

At the moment it is impossible to say what production *targets* will be fixed *in* the 1976-80 plan as it is still under discussion. It is clear, however, that significant shifts in the relative importance of various industries will take place, with the following sectors developing more rapidly: power generation and distribution, coal production and processing, oil and gas production and processing, ferrous and non-ferrous metallurgy, basic and intermediate chemicals, non-metals, machine and shipbuilding, the agro-*industrial* complex, transport and communications and foreign tourism. These will receive more investment finance, tariff and tax benefits and the like, to help them reach levels considered necessary for the entire economy.

A.L.

The Executive's World

EDITED BY JOHN ELLIOTT

Good marketing and central management have led Dunbee-Combex-Marx to succeed in the toy industry where a company like Quaker Oats has partly failed. Now DCM is making a big stride into the U.S. **Nicholas Leslie** examines its prospects

A winning formula goes on trial in America

THE U.K. toy industry has had a *chequered history* over the past six or seven years, moving from deep recession to a boom period and with the structure of the trade changing radically *as companies have* disappeared while others have grown rapidly.

Lines Bros., once Britain's largest toys group, collapsed in 1971 and efforts by Mr. John Bentley's Barclay Securities to create a new toys company out of some of the pieces of Lines were only *marginally successful. Then the* U.S. Mattel toy company seriously embarrassed the British toy trade, and particularly Lesney Products, makers of Matchbox toy cars, with an aggressive marketing campaign and introduction of a new high speed car range which made existing manufacturing methods obsolete. That was short-lived, however, as Mattel ran into financial difficulties in 1973, had to retrench in the U.S., and disposed of its U.K. operation.

Most recently, Louis Marx, once the biggest U.S. toy company, has run up $17m. (£9.5m.) of losses in two years and has just been sold by its parent company, Quaker Oats of America, to Dunbee-Combex-Marx, in the U.K.

Engineering

There have, nonetheless, been some successes. Airfix Industries, best known for its plastic construction kits of aircraft, ships and other items, has shown consistent growth in sales and profits and has expanded in such areas as footwear and plastic household products. At the same time, Lesney has achieved a remarkable recovery, largely by matching its acknowledged engineering expertise with marketing skills and by becoming the most international of U.K. toys companies, with the major part of its sales and profits now coming from overseas.

Dunbee-Combex-Marx has also been highly successful, with its pre-tax profits rising from £304,000 to £3.5m. in the five years to 1975. Much of that growth has resulted from DCM's ability in turning round *from* losses to profits its Rovex subsidiary. This was formerly called Rovex Tri-ang and was once part of the Lines group, yet another piece of which—Tri-ang Pedigree—was bought several years ago by Airfix. When DCM took over Rovex in 1972 it had accumulated losses of over £1m. In 1975 Rovex earned profits of over £2m.

By buying Louis Marx Inc., DCM is thus aiming to repeat its past success in re-vitalising *a loss-making company. It has* an advantage in that it knows Louis Marx Inc. and Quaker Oats well, stemming from an association established back in *1967 when DCM bought the* U.K. subsidiary of Louis Marx —hence both companies bear the name of Marx. Although the companies have since then been separate, *DCM is a buyer* of dolls produced in Louis Marx Inc's Hong Kong factories. Yet the problems which DCM had to face when turning round Rovex are *very different* in some major aspects from *those which face it* with Louis Marx Inc.

Quaker Oats' failure with Louis Marx Inc. since buying it in 1972 contrasts with the success of its other toys company, Fisher Price. But this may be largely due to the differing demands of the various sectors of the toy market and also to Quaker Oats' *management*, which is reputed to be rather bureaucratic and thus alien to major toy wholesalers and retailers who prefer the personal touch. *Another factor* must be the decision by Quaker Oats to stop Louis Marx manufacturing toy guns, on moral grounds. While this may be seen by some as admirable, most people in the toy trade would *agree that it was a strange move* given that Louis Marx had over several decades built up a solid reputation for toy guns, which *represented a large chunk of its business.* Louis Marx Inc. will now be trying to re-establish that reputation under its new owners.

What this shows is Quaker Oats, as *a food manufacturer*, imposing management decisions and styles on a toy maker without fully appreciating the structure of the market. Its Fisher Price business succeeds probably because of the type of toys —*high quality plastic models of* such things as garages, schools and farms—fall within the educational category and have a solid following in a middle *class market. On the other hand,* Louis Marx Inc. makes toys for a much wider market, primarily directed at boys, with such things as model cowboys and other figures, trucks of various types and the yo-yo, which it *has exploited* more than any other toymaker. These are more susceptible to changes in fashion and require a different marketing skill.

It is this skill that DCM should be able to bring to bear. It has a strong central management which knows the trade, but it also allows the management of each subsidiary to run their own business and to identify what products will sell.

"The whole group is managed basically from London," says Mr. Beecham, one of *DCM's two joint managing* directors. "There are a number of subsidiaries with managing directors who are responsible to Mr. Basil Feldman the *other joint managing director* or myself. Commercially, each is completely autonomous. Subject to agreed financial constraints such as cash flow and capital expenditure and within given parameters of merchan*dise each managing director can* do what he likes."

This is a style which has developed since the Rovex acquisition when the company became sufficiently large for a top board of directors to remove themselves from day-to-day management and to look at the broader aspect of the group's activities, which include Hornby trains, Scalextric racing cars, the Barbie and Sindy dolls, Combex soft vinyl pre-school and nursery toys, Minic model ships and Frog plastic construction kits. There is also a "Do-it-yourself" division making louvre doors, fixings and fittings and tools.

Main board meetings are held once a month and these direc*tors also meet with members* of subsidiary boards monthly. This is a pattern which will continue with the American company. Regular financial statements are scrutinised by the top board and if, for ex*ample, a subsidiary managing* director should want to exceed his agreed cash flow limit or his figures get out of line with budget the matter is taken up *rapidly by either Mr. Beecham* or Mr. Feldman, together with group finance director, Mr. Isadore Shulman.

According to Mr. Feldman "*our job must be the acquisition of finance*, people and companies," leaving the subsidiary directors to manage the individual parts of the business. *This freedom of action* is epitomised in a story told by Mr. Miles Fletcher, managing director of the U.K. Louis Marx company. Having spent some £15,000 *on development of an* articulated plastic model soldier with plastic clothes, Mr. Fletcher saw a similar model in the U.S. with fabric clothes *which he considered to be* superior. He therefore decided to import the U.S. model instead — so writing off the £15,000 development costs—and *guaranteed the manufacturer* a given level of sales and royalty payment. "Richard Beecham thought I was mad," says Mr. Williams, but the *target was reached.*

Ashley Ashwood

Seen with the toys their company produces, Mr. Basil Feldman (left) and Mr. Richard Beecham, joint managing directors of DCM.

Richard Beecham believes in a concept he describes as the "spare managing director." In *practice*, this means there is always one senior executive going round the group companies, learning what they do and assisting where he can. But he has no particular brief and no set position within the management heirarchy. The idea is that when there is an opportunity to expand by acquisition or by setting up a new or associated activity there will always be a potential managing director available to step in to ensure that no management gap is created.

This has apparently stood the company in good stead with the Louis Marx Inc purchase. Mr. Bob Butler, managing director of Rovex, has become managing director of the American company with a brief of turning it round. But he has already been replaced at Rovex, although not in quite the same way as would usually be the case.

Because of the rapid growth of Rovex, it has been decided to split it into three companies —Hornby, Pedigree and Exports —sharing an expected £18m. to £19m. of sales this year. Each has its own new managing director. The split has been made because Mr. Beecham and *Mr. Feldman are opposed to any* unit becoming too large. They feel it is better for units to be managed by a person identifiable to the workforce. "If a *company is a Mount Everest it* eventually becomes soulless," says Mr. Beecham.

With its Louis Marx Incorporated purchase, DCM is *plunging into America in* a very different way from Airfix and Lesney, which moved in more steadily, buying up their importing agents in the U.S. DCM on the other hand is taking on a company capable of generating a turnover of more than $70m. (£39m.). It radically alters the structure of the group. Whereas in 1975 exports accounted for 12 per cent. of total DCM sales plus a further 13 per cent. from sales by overseas companies, the inclusion of Louis Marx Incorporated means that U.K. export sales and overseas turnover will represent 60 per cent. of the total in 1976. That total figure will also include sales under an unusual ten-year agree*ment signed in July, 1975,* between DCM and the USSR for the supply of technical know-how.

Mr. Beecham does not see why Louis Marx *Incorporated* should stretch the group's management capability. Much of the "fire fighting" required has already been organised, with Mr. Shulman having visited the U.S. to ensure that financial controls and reporting shortcomings are corrected. Another director has been "stripping the fat"—getting rid of "works of art on the walls," superfluous fork lift trucks, property not required, and any *machinery* which is excess to requirements.

Trade mark

The company also *feels* that its financial arrangements for *buying Louis Marx Inc.* leave it in a strong position. Of the $15m. purchase price (£8.2m.), the *initial payment will be $5m.* This has been raised through a Eurodollar loan, and the balance will be payable in instalments between 1977 and 1982. *DCM shareholders have in effect* virtually paid for this first instalment since £2.5m. has just been raised by a rights issue of new shares.

Meanwhile, the company faces a very different market in the U.S. compared with the U.K. A lot of discounting takes place in America and while a major trade *mark is an* advantage there, the benefit is not necessarily so great as in the U.K.. Also, size is not so important. In the U.K., companies like Airfix, Lesney and DCM, together with the big "second division" companies such as Mettoy and Berwick Timpo, can use size to advantage when competing for a *fairly* limited shelf space in shops and the result is that their ranges of toys get featured to the exclusion of the smaller toy makers. In America, on the other hand, a far greater selling space is turned over to toys and it is the size of discount which counts for a lot. DCM is clearly facing quite a sizeable task, but it does not seem to be one which the trade considers to be impossible.

PETER CARTWRIGHT reports how a major U.S. motor export order was won

Burman conquers the Chrysler 'code'

A COMBINATION of cheeky enterprise, a history of product and delivery reliability plus a rehearsal of every question a customer might ask helped to win Burman and Son of Birmingham a multi-million dollar *export* contract recently. As a result Burman is to supply steering gear for the U.S. Chrysler Corporation's new front-wheel-drive small car over the next decade or so in what is the biggest original equipment order ever placed by a U.S. car producer with a British motor component supplier.

The idea of tendering for the job was put forward by Mr. Brian Tafft on his first day as marketing director at Burman's Kings Norton, Birmingham headquarters. It *seemed little* short of effrontery because while Burman is well known in Europe as a principal supplier of steering gear, it *was* unknown in the U.S. Fortunately however, Chrysler U.K. is one of its major customers so a lengthy telex message sent by Burman, to Chrysler's overseas purchasing division telling of its experience found sympathetic readers among senior management who had returned to Detroit after a stint at Chrysler in Coventry. That was in August last year. Chrysler replied officially from Detroit by sending outline drawings of the requirements for what is to be the smallest car so far produced in the U.S., with an engine made by Volkswagen.

Burman accordingly made its submissions, but by October it became clear that neither its agent *in the U.S. nor its U.K.*-based area manager for north and south America were able to make contact high enough in the *Detroit hierachy for real pro*gress to be made. A detailed dossier was therefore prepared about the company and about how well its operations would *dovetail into requirements laid* down by Chrysler.

The Chrysler "code," sent to existing and potential component suppliers, set down these requirements, called the "attributes of modern efficient suppliers," as: financial responsibility, product quality, adequate facilities and capacity, technical capability, desirable performance history, desire to promote mutual well being, geographic location, best price.

Burman's answers were taken to Detroit by Tafft, accompanied by Mr. Bernard Wright, finance *director*, plus its U.S. agent and area manager. These men set out to convince Chrysler about their experience in supplying steering gear to front wheel drive vehicles and about their company's considerable research and development effort in this critical safety area.

*This presentation lifted Bur*man into the final round and it was asked to send out a team for a "pre-placement" meeting for which a specified range of specialists was *required. Bur*man *decided eventually to send* virtually the whole Board under its chairman, Mr. Roy Loader. Mr. Bob Simpson, managing director, and Tafft flew to Detroit ahead of the main party. They wrote down a list of every question that could conceivably be asked by Chrysler, and it was decided to put Simpson in to bat every time, leaving him to *indicate* which, if any, of the others should field any question in detail.

When the rest of the team arrived, the test questions and *answers* were rehearsed into the small hours. Next day, after Loader had opened the meeting with a run down of the *Burman operation* and that of its Staffordshire-based parent, the Duport group, the question and answer session began.

"Every question was answered as we all had hoped," Simpson recalls, "until almost *the end when we were asked if* we had a disaster plan." That was completely unexpected and there was no immediate answer. Then it emerged that the ques*tion related to IRA activities.* Some people in Detroit evidently believed that U.K. industry was under siege because of the Ulster situation. An assurance *that Burman* had more than one factory at which to make steering gears helped to offset this concern.

Burman then promised to establish equipment stocks on both sides of the Atlantic in case labour problems hit supplies, even though Burman's industrial relations record is good, and the company also undertook to have an engineer in Detroit *for* the period of the contract. Some time later Chrysler's vice president in charge of purchasing visited the Burman factory and eight days later the contract was confirmed.

Perhaps the fact that Burman won it was *influenced* by the U.K. Government's decision to rescue Chrysler U.K. But the dominant consideration undoubtedly was the suitability and reliability of Burman's product, coupled with security *of supplies*.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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FRIDAY, JUNE 11, 1976

Stalemate in the Lebanon

SYRIA MAY have obtained a valuable breathing space by agreeing to its own military presence in the Lebanon being joined by a pan-Arab peacekeeping force, but its predicament has hardly been resolved. President Hafez al Assad's acceptance of the proposal that forces from four other Arab States, as well as the Palestine Liberation Organisation, should be responsible for enforcing the ceasefire was evidently a reluctant one. It reflects not only the intense pressure from other members of the Arab League to which Syria was submitted at this week's Cairo session but also the physical opposition to the direct armed intervention from the Palestinian guerillas and their Left-wing allies.

Invidious

In military terms Damascus has been forced to recognise that it cannot enforce its will on the factions, which are determined to bring about far-reaching changes in Lebanon, without actually increasing the intensity of the conflict and the amount of bloodshed. In political terms the whole operation has put President Assad in a very invidious position as the leader of a State that has always prided itself as being in the vanguard of Arab radicalism and the foremost protagonist of the Palestinian cause. For this reason, the failure of mediation aimed at ending the conflict has embarrassed Syria in the wider Arab world. Iraq and Libya, on the one hand, and Egypt, on the other, have been only too willing to support the opposition to its military intervention. On the domestic front President Assad could not ignore the discontent within the Left wing of Syria's ruling Arab Baath Socialist Party who see the Palestinians and the Left wing in Lebanon as the régime's "natural allies."

The arrival of Algerian, Libyan, Saudi, and Sudanese contingents—even if they are only "token forces" as Damascus insists—must in one sense be seen as an admission of defeat. Ever since it first began to be involved in a settlement, while at the same time bolstering the Left, Syria has regarded Lebanon as its own special interest and has resisted attempts to bring about a "pan-Arabisation" of mediation. Its initial concern was to stop the Palestinian guerilla movement being crushed by Right-wing Christian extremists and then, as the situation deteriorated, to prevent partition.

As the conflict developed and the Palestinian-Left alliance gained ground the main concern became one of ensuring that an extremist regime liable to drag Syria into a conflict with Israel at a time not of its own choosing should not come to power. The regime in Damascus may see Lebanon as part of a "Greater Syria" but the immediate aim has not been to annex it.

In itself the partial "pan-Arabisation" of the mediation amounts only to a compromise and settles nothing. Syria has not agreed to withdraw the bulk of its forces as Mr. Yassar Arafat, Chairman of the Palestinian Liberation Organisation, has demanded. At the same time it is difficult to see the mainstream of the guerilla movement consenting to abide by the 1969 "Cairo accords," reached under pan-Arab auspices, which strictly defined its rights in Lebanon and restricted operations against Israel.

Israeli reaction

At the best Syria can now hope for observance of the ceasefire and suitable conditions for the holding of a "round table" conference at which the warring Lebanese factions might thrash out their differences. However, the pressures on Syria to give way to the demand of the Left and the Palestinians for more radical reform in the Lebanon will continue. The rival Baathist regime in Iraq, President Assad's biggest enemy in the Arab world, has deliberately chosen this delicate moment in the Lebanese saga to move troops towards Syria's border. It did so at the height of the Euphrates River water dispute last year and too much significance should not be attached to the manoeuvre. Nevertheless, Damascus cannot ignore it. At the same time, Syria must weigh up the Israeli reaction to the entry of other Arab forces into the Lebanon and seek not to step over the undefined "red line" beyond which Mr. Yitzhak Rabin's Government would not tolerate military intervention.

Partial agreement on export credits

WEDNESDAY'S announcement by the U.S. Export-Import Bank of new and stricter guidelines for the granting of export credits is the first step in a general move by the main industrialised countries to agree on a reduction of competition between them in this field. The gentlemen's agreement of last year failed to stick, largely because France and Japan were not prepared to support it; but since then there have been new initiatives and limited agreement has been reached, though individual governments are to announce changes in their terms unilaterally.

This is certainly an achievement, because competition in the terms of export credit has become widespread and deeply entrenched over the past few years. The motives for such competition vary widely. It may be largely a political issue, as in the case of armament sales. Or the intention may be largely industrial, to enable a particular capital goods industry to remain in the international race or to reduce unemployment during a recession. Once competition in credit terms becomes well established, however, it tends to override other forms of export competition.

Subsidised loans

This in itself tends to reduce the industrial advantage to particular countries of keeping their manufacturers of large-scale capital goods in the international market: when a contract is signed largely on the basis of the credit terms available, quality tends to become a secondary factor. And the disadvantage of such competition to all the industrialised countries involved in it is glaringly obvious. By allowing the customer to play one exporter off against another to secure himself the most favourable terms, they are putting themselves in the position of making long-term loans at subsidised prices.

These considerations apply to Britain as much as to any other state. To close our balance of payments gap, we need to increase the amount of our exports which other countries are willing to pay for in cash, rather than make them a long-term loan at a subsidised rate to finance their purchases. Yet export credit rose from £453m. to £713m. last year and was £190m. in the first quarter of this. Moreover, because of the way in which a portion of the credit provided by banks is refinanced by ECGD, this is now a substantial item of public expenditure—£458m. in the last financial year—over which Parliament has relatively little control.

Treaty of Rome

What has now been agreed is not a great step but at least a first step in the right direction. It does, however, raise a major difficulty of principle within the EEC. A decision by the European Court made it clear some time ago that export credit terms were a matter for the Commission rather than member governments to decide. The Commission would, in fact, have been prepared to settle for the consensus already reached to be endorsed by the Council of Ministers; but the French government was unwilling to go even this far towards recognising the jurisdiction of the Community in the one major trade field where individual members still enjoy considerable discretion. The Commission has now to decide whether or not it should take further action to demonstrate that the Treaty of Rome is being breached. Britain which has so far chosen to remain in the French shadow, has an opportunity here to support the European idea and its own self-interest simultaneously.

The Japanese economy is moving again though business, spoilt by past records, remains dubious. **Peter Duminy** reports.

No razzle-dazzle as Japan resumes growth

JAPAN'S capacity for staging economic surprises has been demonstrated yet again, with the announcement (admittedly provisional and subject to amendment) that GNP grew at a seasonally adjusted annual rate of 14 per cent. in the first quarter.

The Economic Planning Agency (EPA) and Ministry of Finance have been trumpeting the recovery from the rooftops for the past couple of months. But the harder Mr. Takeo Fukuda, the Deputy Prime Minister and economic overlord, and his cohorts tried to deliver the message, the more stonily it appeared to be received by the business community. Much as they would have liked to believe it, they seemed to say, it had to be respectfully dismissed as well-intentioned propaganda. Even now, it would be misleading to suggest that the economic upturn is regarded everywhere in Japan as completely and safely launched.

Three reasons for caution

The next phase may see this scepticism rapidly clearing. But apart from the possibility that it will not go away so easily, it is worth noting the three distinct reasons for caution:

1—The evidence of recovery has been stronger in some sectors than in others, so that gloomy businessmen have been able to pick out statistics to match their mood;

2—On the whole, industry still has a surplus capacity; and

3—For years now economic Ministers, bureaucrats and academics have been telling the business community that there is no more razzle-dazzle left in the Japanese economy—that is, that the era of fast growth ended with the quadrupling of world oil prices in 1973.

The record shows that the recession reached its deepest in February, 1975, which necessarily implies that the climb back to prosperity has been under way since then. Indeed, it has been observable for a few months. But then nothing further appeared to be happening to any of the main aggregates of national expenditure. Especially nothing seemed capable of stirring the private sector. Consumer spending was flat and capital outlays were dropping in real terms for the second year running.

Then suddenly exports began to move at the beginning of 1976—or so Mr. Fukuda's aides at the Economic Planning Agency were insisting. In fact, crude figures did not immediately appear to bear them out. Export receipts in January-March were 5 per cent. lower than in the previous quarter, and a mere 9.4 per cent. higher than in the corresponding period of last year. Also, hopes were built on large additional sales of steel to China which, to date, have failed to materialise. Nobody sounded too confident that the export drive would gather momentum.

However, there were other sets of figures to look at. Export prices (especially of steel) have been much lower than a year ago, so that export volume has been rising sharply. In March, when export receipts were 18.2 per cent. higher than a year earlier, export volume was 30 per cent. up. Thus, industry was getting the benefit of a higher throughput than appeared on the surface.

The Nissan assembly line: car exports are booming again.

Moreover, on a seasonally adjusted basis (allowing mainly for the fact that January is always a slow month for export shipments), the EPA claims that export earnings in January-March increased at an annual rate of 60 per cent., above those of the preceding quarter. In fact, there has been no doubt that motor car and colour television exports are booming, nor about the rapid expansion of one particular market, the U.S.

In January-April exports to the U.S. rose 36 per cent. above those of a year ago, reaching an annual rate of $14.1bn. The crude trade surplus in Japan's favour, not seen since 1972, was at an annual rate of $3.3bn. (according to Japanese statistics — American figures make the gap considerably wider).

On balance, two things are certain: exports have after all been an engine of recovery, as always in Japanese experience; and, by the same token, the U.S. has played a significant role in pulling Japan out of the rut. This must be so, even though it can be pointed out that exports are the equivalent of barely 10 per cent. of GNP these days.

Exports have not been the main factor however. The basic conditions for a business upturn were created by fiscal and monetary policy last year, to an extent imperfectly revealed by the statistics. They show a 15.7 per cent. rise of public works expenditure and a 14 per cent. expansion of money supply during 1975 — both fairly unremarkable by Japanese standards. What was really important was that they occurred despite a contraction of most of the rest of the economy. In particular it meant that the Ministry of Finance had gritted its teeth and agreed to live with large budget deficits (between 25 per cent. and 30 per cent. of expenditure) both in 1975-76 and, again, this fiscal year.

Sooner or later this was bound to lead to something — though business leaders mostly said they could not see what, and then began to be anxious as the Government made it obvious that it was not going to keep its foot hard down on these accelerators indefinitely. In January-March money supply was 15.3 per cent. higher than a year before, and that appears to be as much as the Bank of Japan is willing to tolerate in present circumstances.

Public sector spending

For the same quarter the GNP estimates show annual rates of increase of only 6 per cent. in current government expenditures and 9.2 per cent. in public sector capital spending—in each case the smallest for some time. At the same time, though, housing expenditures rose by 49 per cent., annual rate, with direct and indirect support from Government; in cash-flow terms the resulting housebuilding was equivalent to almost three-quarters of the entire export performance.

However, it now looks as if the public sector may already have done its work well enough. At least industrial production is back into a normal-looking stride. From January onwards, month-to-month increases averaged 25 per cent. at a seasonally adjusted rate.

Also, it now transpires, if the GNP figures can be trusted, that expenditure on personal consumption finally came to life again in the Jan.-March quarter, with a 14.7 per cent. increase (annual rate) from Oct.-Dec. That is undoubtedly the most interesting piece of information to come out of the GNP computation. EPA had bravely insisted that consumer spending was reviving, but the figures it could adduce had been far from convincing. The standard indicator is department store sales. That index showed year-to-year expansion of only 10.2 per cent. in Jan.-March, before adjustment for inflation, which looked little better than nil-growth in real terms. The April figure was no more promising.

The EPA has not explained yet how it arrived at the consumption element in its GNP sums. It appears to correspond with figures showing a 4.5 per cent. rise of real wages in Jan.-March, and other hopeful signs from the labour market, including steady increases of overtime worked, and a small increase in recent months of those employed in permanent capacities.

At this stage there are still plenty of people more inclined to believe the department store index than the EPA. But if this is a question mark over the recovery, it is not the biggest one. Pride of place in that respect belongs to private capital spending which according to the GNP figures went up by 2 per cent. in real terms (seasonally adjusted annual rate) in Jan.-March. For 1976-77 both the Ministry of International Trade and Industry (MITI) and the Ministry of Transport have surveyed spending plans of the industries under their respective wings, with results that do not instil a great deal of confidence.

The indicated total of $27.2bn. is 8.5 per cent. higher than last year's. But that includes whacking great increases promised by the electricity and gas utilities which may not really intend to spend all the money. It is no secret that MITI made them put up much bigger figures than they wanted to.

Shorn of the utilities, the $18.6bn. of spending promised by the private sector proper, would be 2 per cent. lower nominally than last year's.

At best the picture is uneven. The steel and car industries, plus hotel and retail sectors, will spend more. Shipbuilders will spend a lot less, and so will the petrochemical and paper and pulp industries among others.

Nobody is under any illusions about the fact that real growth will be fairly transitory unless investment in bricks and mortar does pick up in the next year to 18 months. This, of course, is where the mood of the boardrooms is itself a factor in the economic equation, and one that will help to make or break the recovery.

How long will managements in general be likely to remain down in the dumps? Partly it must depend on the content and credibility of Mr. Fukuda's statistics. Here the prognosis is reasonably good. Production and exports should continue to go up. Unemployment, still a seasonally adjusted 1.95 per cent. of the workforce at end-April, a big ratio by Japanese standards, is beginning to fall. The balance of payments is extremely strong, following the $100m. current account surplus in the fiscal year ended March. Although the import bill is starting to rise, the terms of trade are in Japan's favour again, and the Finance Ministry thinks that imports will plod along unspectacularly for the rest of the year.

The inflation rate is down to around 10 per cent. which Japan can live with, though many price increases are in the pipeline. Fiscal and monetary policy have turned moderately cautious, but are still conducive to business recovery.

Boardroom blues

Partly and perhaps very largely boardroom blues reflect the companies' own problems, the micro-picture. Here, too, the outlook is rapidly improving. Industrial production in April was only 8 per cent. below the peak of November 1973 after being 23 per cent. below in February 1975. Capacity utilisation has correspondingly risen from around 70 per cent. to 85 per cent. Corporate profits are staging a sharp recovery—up 56 per cent. above those of last April-September. Soon, the main impediment to investment, if one remains, would have to be found under the heading of lack of boardroom confidence in longer-term prospects. That is where the future growth target comes in.

On May 14 the Cabinet put the official seal of approval on a growth target averaging 6 per cent. a year for the next five years. This was the final outcome of nearly three years of soul-searching and, on the face of it, represents as close as it is possible to get to a national consensus. It can also be said that 6 per cent. is good compared with 3.1 per cent. growth in 1975-76, and a contraction of 0.2 per cent. in 1974-75.

However, it is not impressive against the 10 or 11 per cent. real growth achieved in the 1950s and 1960s, when all present-day Japanese managers were schooled. On the whole, 6 per cent. growth does not evoke entrepreneurial enthusiasm in Japan.

Therefore Japan's full recovery may seem to depend in large measure on the business community's capacity to disbelieve and disregard the supposed consensus. Given their present spare resources, they may not have too much difficulty doing so.

Meanwhile, Japan has the great boon of MITI, which while happier when it can operate as a traffic policeman for competing investment projects, does not shrink from the challenge of seeking to bring forth investments from comparatively unwilling boardrooms. The utilities are not the only focuses of its attention. Nissan Motor revealed the other day that it will have larger capital outlays than intended "to satisfy MITI."

So Mr. Fukuda should get his recovery, if it is not a reality already.

MEN AND MATTERS

Co-op Bank compromise

Arthur Sugden, chief executive of the Co-operative Wholesale Society as well as chairman of the Co-op Bank, trod a careful path yeseterday in his statement in the bank's annual report. His contention that closer control of the banking system and greater public accountability are preferable to outright nationalisation highlights the tightrope which the Co-op movement as a whole is forced to walk between adherence to philosophical and social aim and successful competition in the commercial world.

Sugden himself is a pragmatic co-operator rather than an idealistic one, taking the firm view that the higher moral aims of the movement can only be achieved if the Co-op holds its own against competitors solely concerned with commercial considerations.

This ties in with his background. Since the war he has been with the CWS rather than on the retail co-operative side. It is the wholesale side which has had to concern itself with bulk discounts, standardised promotions, and all the other weapons in modern retailing, and as far as these aspects are concerned the greater the concentration and uniformity among independent retail societies, the easier it is to compete with the grocery retailing chains. Gradual acceptance of this principle within the movement has led, in the past two years, to the first gains in grocery retailing market share after 18 years of decline.

It may be coincidence that this resurgence has paralleled Sudgen's period as chief executive. But the reasons are in line with Sudgen's own ideas, and these he applies to the movement's position in the banking world in exactly the same way. He is proud that the Co-op Bank has achieved full clearing status, but at the same time points out that it does not extract the maximum profit from its activities even though it competes on level terms with the commercial banks: for example the bank will continue to be lenient on the cost of current account banking facilities at a time when the other clearers are getting tougher.

In pure business terms therefore the Co-op Bank sits happily within the banking system and is in line with its joint stock colleagues in opposing nationalisation. The philosophical conscience is satisfied by calling for closer control through the existing banking mechanism to guide funds to where they will be most socially beneficial.

Reforming

Some basic assumptions about reforming alcoholics are now being vigorously debated in America after a report from the respected "think tank" of the Rand Corporation which questions the old theory that total abstinence from drinking is the only way to recovery.

The Rand report reckons that a sizeable proportion of alcoholics can return to normal social drinking without reverting to alcohol abuse—a conclusion that has led to bitter criticism from bodies like Alcoholics Anonymous and the National Council on Alcoholism.

The report was based on intensive studies of over 14,000 cases, mostly of people who attended alcohol treatment centres. The study showed that 18 months after attending one of the centres, 70 per cent. were not drinking "abusively" but only about a quarter were total abstainers. The rate of relapse to "abusive" drinking was no higher among those who drank and those who abstained.

But there is one important rider. "There is no way," Rand says, "to distinguish between those who can safely start drinking and those for whom such a move would mean a reversion to abuse." The corporation's main recommendation is that more flexible targets be set for defining reform.

"As long as it's not his recreation ground, I suppose!"

Art loss

The Arts Council's only real "commercial" venture is a shop it runs just off London's Piccadilly. The establishment celebrates its third birthday to-day with the Council, while pleased with progress, anxious that its losses should be contained.

The shop is now attracting nearly 100,000 customers a year and sells books, records, posters, exhibition catalogues, slides, jewellery and the like. Its 1975-1976 sales improved to £55,000, but the usual spiralling nature of overheads left the operation £19,700 in deficit.

For the taxpayer, that's only a modest sum compared with the £36m. of total Arts Council grants in the current year (£8m. up on last year). It had been intended, however, that the shop should break even. But much of the effort in being what council deputy general secretary Angus Stirling calls "a very important window on the world for all the arts," with free talks, poetry readings and so forth, yields no financial return. "We realise we have to be vigilant about the deficit," declares Stirling, "which I certainly would not like to get any higher."

Up and away

I guess one sight that might gratify those opposed to the Stock Market and its works would be that of leading stockjobbers being borne off in balloons. That very thing is scheduled to happen this weekend, though the intention is that all should come safely to earth.

Switching ingrained rivalry from the market floor to the air, jobbers from Pinchin Denny, Akroyd and Smithers, and Wedd Durlacher will take off in separate gas balloons from Cirencester Park, each being sponsored in order to raise money according to distance covered. The event is being staged with the aim of raising several thousand for the Foundation for the Study of Infant Deaths, which is investigating the mystery of "cot deaths."

Swept up

A colleague's wife challenged a chimney sweep on his 15 per cent. increase in charges. Sorry, he explained, it is all due to higher electricity charges. It was not until after he left that the penny dropped . . . . just think about who is paying for what.

Observer

POLITICS TO-DAY

BY DAVID WATT

The acceptability of electoral reform

OST PEOPLE in Britain leve in Parliamentary democy. They regard it as right t the complexion of the Govment should in some broad se be determined by the torate. They are probably dissatisfied with the constional role of the House of amons. They believe that the use should 'represent' pubopinion and that in addition passing laws it should be a ce where a row can be made ut errors, abuses, scandals. They also believe that govments should not change y few months and that re should be a reasonable ree of stability.

"They are not entirely happy ut what they feel to be the necessary party dogfight ich has developed in recent ies, with automatic opposi-n by each major party to a at many policies of the er; nor about the vast underresentation of the Liberal ty in the last two general ctions—although few of m have a clear idea how her of these two situations i be changed or, indeed, ether it is possible to change m without undesirable reperssions. They like to feel that y have a Parliamentary reesentative to whom they can peal although they may do so ry infrequently."

This statement is taken from a report of the Hansard ciety's Commission on Elecal Reform* published this ek, and seems to me to sum with admirable accuracy and ccinctness the attitude of the an in the street towards rliament at this time. It also poses, with disarming nesty, of one of the chief guments normally advanced enthusiasts for electoral form—namely that the public is outraged by the inequities and inefficiencies of the present system and is dying to embrace Proportional Representation or the Alternative Vote or any one of the other 300 variations that have at some time or another been spawned in the fertile brains of constitutional theorists. The report claims, predictably enough, that "the decline in the votes for the two major parties over the past few years *may* (my italics) indicate a dissatisfaction, however vague and incoherent, with the system as it stands" but it concedes "there is no conclusive evidence that the present system is unacceptable to the people as a whole."

Scepticism

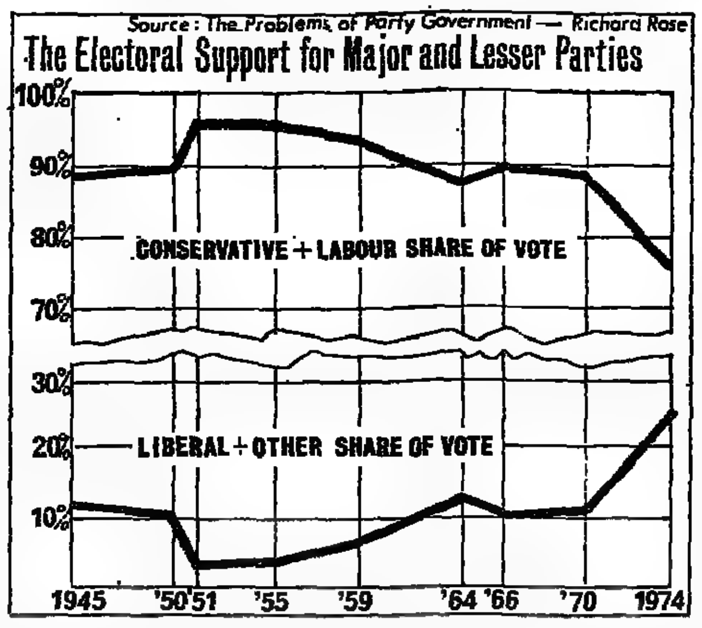
It is a pleasure, in fact, to read, a report on a matter of public controversy in which a *little* academic scepticism is permitted to grace the argument. "The troubles which beset the nation . . . stem from a complex mixture of deeprooted *historical causes* which will certainly not be eradicated merely by electoral reform. We appreciate that although it is possible to foresee many of the repercussions of electoral reform, some of the consequences cannot be wholly predictable." These cautionary words also drawn from Lord Blake's Commission, will, I hope, be inscribed in gold on the letterhead of the all-party National Campaign for Electoral Reform which is to be launched under the Chairmanship of Lord Harlech on June 22.

But if the question is one of such uncertainty and there is no strong general demand for change, on what arguments and with what backing is the present campaign for change being set in motion? Again the Blake Committee are quite frank. Their critique of the present system is based in part upon their own judgment that there is a threshold beyond which "unfair" representation borders on the suppression of sizeable minorities and this threshold is passed when (as in 1974) a quarter of the electorate no longer votes for one or other of the major parties.

Their second, and more substantial, complaint arises from their perception of the behaviour of recent governments. There has, they maintain, been an increasing polarisation of the two major parties which has resulted in regular reversals of policy in almost every field — nationalisation, economic planning, industrial relations, education, housing and so forth. The Hansard Committee does not, unlike many electoral reformers, claim that the polarisation is caused by the present electoral system and *they specifically state that* "a change would not necessarily ameliorate these difficulties." What they claim, however, is that if we had an electoral system which allowed adequate representation of third and fourth parties some of the dangers arising from polarisation would be removed.

The thought here (though it is not explicitly stated) is that the Labour Party in order to form a Government, should be subjected to the discipline of *having to make a coalition with* the Liberals. This would mean that whatever great thoughts had been written into the Labour manifesto by Mr. Jack Jones or Mr. Ian Mikardo would be abandoned on the veto of the Liberal partners. An aspiring *Conservative Prime Minister* should be similarly constrained from implementing the policies of Sir Keith Joseph. The centrist harmony which used to *apply in the 1950s (and was* then, under the sobriquet of "Butskellism," attacked as one of the four debilitating drawbacks of the British system) would in practice be restored, and we should all live happily ever after.

The upshot of this analysis is, not unnaturally, another endorsement of "fairer," that is, more proportional, representation. The exact system chosen *by Blake—a "sanitised" variation* of German practice—has the practical advantage of requiring a minimum of psychological dislocation in exchange for a maximum of proportionality. It retains traditional single-member constituencies *for three-quarters of the House* of Commons and even permits them to be elected on the old *first-past-the-post* lines. The last quarter of seats would be doled out on a system designed to give much greater representation to third and fourth parties but without demanding any extra effort, or indeed calculation from the elector.



FEB. 1974 GENERAL ELECTION

Party	Share of votes %	Seats won	Fair share of seats	Difference
Labour	39.3	319	250	— 69
Conservative	35.8	277	227	— 50
Liberal	18.3	13	116	+103
Scottish Nationalist	2.9	11	18	+ 7
United Ulster Unionist	1.4	10	9	— 1
Plaid Cymru	0.6	3	4	+ 1
Others	1.7	2	11	+ 9

Unlike the so-called "Alternate" Vote, this arrangement does not entail the complete destruction of the Conservative Party. And unlike the Single *Transferable Vote it does not in*volve multi-member constituencies or sums which the ordinary voter cannot understand. It requires nothing less than a complete redrawing of constituency boundaries and the institution of two separate classes of MP; *but if electoral reform is ever* to come to Britain it will probably be in something like this *half-and-half form.*

But the question remains—is *change necessary* and would it have the beneficial effects which our situation demands? *Speaking for myself, I was not* convinced before I read the Hansard Commission Report, and I remain unconvinced now. And the reason is not that I feel dogmatically opposed to electoral reform or that I do not acknowledge (how could I?) *that British* politics has been going through a very bad patch. The problem is that no proponent of *reform*—and not even Blake who is most persuasive in his moderation and intelligence—has ever really given an account which convincingly links our discontents securely to the proposed remedy.

Not much, really, is proved *by the tables in this article*—which are the ones normally supposed to be the clinchers. The graph does not, as is commonly claimed, show a "steady *decline" in support for the* major parties since the war. Turnout, overall, has admittedly fallen since 1945 (though not at a steady rate) but this implicates the smaller parties as well as *the large ones. So far as* the proportion of the votes actually cast is concerned, all that is demonstrated is that in the two 1974 elections only *there was a huge Liberal* upsurge—not an unnatural reaction to the confrontation with the miners and other particular controversies of that year. If this single experience were repeated in the next election, the case for saying that the "fair*ness" threshold had been per*manently passed would be much stronger, but until this happens it must be unwise to take such a short historical view on a major constitutional issue.

Fragmentation

The more serious defect, *though, is the failure to show* that an electoral system designed to produce stronger third—and perhaps fourth—parties would *in fact* produce strong coalition governments on the lines of the much-admired German or Irish models. It *might do so—and indeed the* table in this article suggests that in the particular circumstances of February 1974 it probably would have done (though what kind of rag, tag and bobtail might have come in on the Liberal tide at that moment is something to think about). But, as the Blake Committee again quite rightly admit, there is no certainty about this.

There are two sorts of snag here. *One is the possibility that* after the first or second election under a new system there could be a further fragmentation of parties leading, by common *consent, to instability—or com*plete quietism or both. The Blake Committee attempts to guard against vast proliferation by setting a threshold of 5 per cent. of the vote, which any party would have to pass in a particular region in order to qualify for one of the additional, doled-out seats. But much splintering of the parties is still possible—*as* is much increased activity by extremists. Under the Blake rules, for instance the National Front or the Communist Party would be likely to contest *every* available seat in order to build up to the qualifying quota

Moderate people can easily agree that what is required at present is a strong Government of the Centre, reflecting both the present trend of public *opinion* and the needs of the economy. What is at issue is (a) whether this is impossible under present *conditions* and (b) whether it is more likely to be secured by a new *system of election. In the case of the* Scottish Assembly or the European Parliament these are not the issues, and I have not been discussing them here. But for Westminster it seems to me that neither (a) nor (b) is yet sufficiently clear to outweigh the *disadvantages of disrupting* a system which has on the whole worked well for a century.

Meanwhile, of course, the proof of the pudding is in the eating. If the present Government's economic policies are *reasonably successful and the* Blake Committee's diagnosis of public attitudes (quoted at the beginning of this article) is correct, we shall see a vindication of the present system at the next election. If not, the pressure for change will be visible and irresistible.

*Report of Commission on Electoral Reform, 50p + 15p postage from The Hansard Society, 12, Gower Street, London WC1.

Letters to the Editor

Representation of managers

rom the Chairman, ICI Group the Association of Professional cientists and Technologists.

Sir,—In John Elliott's "Execuve's World," of June 8, David Churchill dealt with the Elecrical Power Engineers Association's decision to broaden its ase and outlined some associated problems, and in doing so he referred in general terms to groups of "middle management" and quoted the "Westinghouse engineering staff ssociation" as an example. I eel that there is a significant lifference in these terms which as been missed and that this s likely to be of great imortance in any recruitment ampaign among Britain's managers and professional vorkers.

It is becoming very clear that t the managerial and proessional level companies are ery reluctant to deal with eparate organisations for different professions in M. and P. roups and representation of the omplete M. and P. group in a ompany is preferred. Mr. Churchill has identified the roblem very nicely in referring o "scattered pockets of staff in ifferent companies and industries." In Westinghouse PEA was dealing with an M. nd P. group consisting of 127 ngineers, and although there re undoubtedly a number of imilar groups in the engineering ndustry, there are many more roups of mixed disciplines sewhere which will be best erved by an M. and P. organisaon rather than by an engineerg organisation, however broadly ased.

Mr. Churchill said that the hree non-TUC unions approriate to M. and P. groups had "failed to make any significant mark," but *I feel that he* has overlooked the Association of Professional Scientists and Technologists' success in securing collective bargaining rights for ICI's 9,000+ management and professional staff group and other similar groups in the science-based industries—all of mixed disciplines.

The membership figures quoted by Mr. Churchill, although a reasonable indication of current strengths, are not a reliable guide to the growing importance of APST to the many multidiscipline groups found throughout industrial enterprises in Britain.

John Massey.
17, Greenside Avenue,
Frodsham, Cheshire.

Cash-flow planning

From Mr. C. Morton.

Sir,—The problem of small firms establishing the right rapport with their bank manager, may have to be handled rather differently from the suggestions made by Mr. Corby June 4. For this purpose, I would define small firms as employing no more than 100 personnel, but frequently in the 5-25 range.

As the problem mainly arises when inadequate security exists for the loan required, the bank manager will have to be certain, that the firm generates adequate cash-flow to repay the capital and interest. My experience, particularly with really small organisations, suggests, that pressures throughout the working day make it extremely difficult for the owner to devote adequate attention to outside specialists. This may result in poor mutual understanding of the problems involved or alternatively a prohibitively expensive exercise.

I would therefore suggest, that clearing banks devise a simple cash-flow planning document, with suitable explanations on how the evaluation is to be conducted. I believe that this should be a multi-purpose business and financial planning/monitoring document, rather than the current ones used by some banks. To-day's range of relatively inexpensive calculators with as many memories as possible, will ease the task of preparing the budget and cash-flow forecast.

This approach, which need not be very time-consuming after the initial effort, has the great advantage of imposing certain disciplines, as many large firms have discovered to their advantage. It will clearly demonstrate how profits may be achieved and careful monitoring will yield greatly improved results, thus frequently fully justifying a loan, should this be required. Finally, may I recommend, that these projections should be discussed with the bank manager—who will realise, that early efforts will contain inaccurate factors—so as to establish a rapport before a substantial loan is required.

C. P. Morton,
C. P. Morton and Associates,
142, Arkwrights,
Harlow, Essex.

Productivity measured

rom Mr. G. Hansard

Sir,—Mr. Wood (May 19) makes the point that "the socalled productivity bargains of he 1960s . . . made little attempt o measure productivity." In my iew, they made even less ttempt to define it: A decade ater, it really is not good enough or the director of the Centre for nnovation and Productivity to efine productivity as "the ratio f output to input." He is right o claim that: "The best available measure of output is added alue." But, as Mr. Wood knows, n the terminology of added alue, "input" is the total cost f materials, energy and purhases. So he is stating that the ay to measure productivity is to ivide added value by these osts. Surely not?

Later, he seems to be suggestng that productivity is best xpressed in terms of output per of wages and salaries, and ecommends that "where pay as outstripped productivity . . . mployees must be *persuaded* . . . that the total wage bill must ome down." What's wrong with aising output instead? Once gain, as Mr. Wood knows, vages and salaries are *themelves* part of added value. Hence, if he wants to express hem as a ratio of added value, et him say so. But let him not all the result "productivity."

It is high time that Mr. Wood and other "authorities" woke p to the fact that labour is not he *only factor of production.* It s nonsense to try to measure the fficiency of the production proess in terms of *labour alone.* "Labour productivity" is a shop loor index, providing a practical basis for incentive schemes, shoploading, and the control and foreasting of labour. Away from the shop floor, it can be used to indicate a specific trend within a company, or narrow industrial sector over a period of years; or to compare company A with a similar company B. But it is a bogus statistic when used to compare petrochemicals with vehicles, or textiles with shipbuilding and marine engineering. It is even more bogus when it is used as the basis for major decisions at company, industry and national levels, for example, in regard to investment and the Price Code. It is a key statistic in the Census of Production, but you will search there in vain for any mention of output per £ of total fixed capital, or capital employed. And you will have to work out for yourself the conversion ratio of materials to finished goods.

I submit that what is at issue is corporate productivity, and this depends not only on the magnitude and quality of the resources used, but on how they are managed. It takes into account all the factors of produc*tion, including time.* The vital criteria are the conversion ratio and the effective rate of conversion. *Optimum economic per*formance is achieved when materials are converted into cash receipts for finished goods at minimum cost. This, in turn, is achieved when the conversion is effected in the minimum of elapsed time. I have applied this approach to two high-flying engineering companies, one British and one Swiss, and I can assure Mr. Wood that it works. Perhaps above all, it provides workers and managers with a common purpose, which is what Miss Anne Shaw makes an eloquent plea for, on the same page as Mr. Wood.

Gerald Hansard.
G. Hansard & Associates,
65, Linton Crescent,
Leeds.

Industrial democracy

From Mr. M. Constable.

Sir,—It was disturbing to read Mr. Palamountain's letter (June 8). Such an entrenched attitude does little to improve the sorry state of industrial relations in this country. Emotive cries to unite and fight the encroaching evil of industrial democracy belong more appropriately to a bygone era.

Mr. Palamountain takes as his starting point that industrial democracy, in whatever form, is more than likely to lead to "conduct prejudicial to the interests of the shareholder." He seems to have missed the point that the move towards industrial democracy is designed to lead to a greater harmony of all the partners in industry, for the benefit of all. He equates industrial democracy with absolute worker control—two entirely different concepts.

Mr. Palamountain's time would surely be more profitably spent attempting to understand the philosophy of industrial democracy and offering some constructive criticism rather than trying to halt the inevitable and preserve the outdated.

M. B. Constable.
3, Clarence Place,
Hampton Court,
Surrey.

Inflation accounting

From Professor D. Myddelton

Sir,—Martin Gibbs (June 9) is illegical in proposing that an *adjustment* be *made* for the net balance of debtors less creditors. If monetary assets and liabilities can cause losses *and* gains respectively then he is adopting the current purchasing power logic based on the use of a "constant value" purchasing power unit. But in that case he ought to be prepared to count gains on long-term borrowing.

The crux of accounting for inflation is to recognise that the value of money is falling. That is where the Sandilands Committee failed most completely. Whether the accounts to which "*general index*" *adjustments* are made are based on historic cost (like CPP) or on current value is a separate point.

Even the many non-accountant members of the Sandilands Committee *must be feeling uneasy* about their unanimous claim that "current cost accounting is a fully comprehensive method of accounting for inflation."

D. R. Myddelton.
Cranfield School of Management,
Cranfield, Bedford.

Downgrading the double entry

From Mr. T. Turnbull.

Sir,—May I make the following points in relation to Mr. Martin Gibbs' letter of June 9.

Sandilands is primarily motivated by the need for manufacturing efficiency, irrespective of the method of financing. Incidentally, banks *too* have *stock* "in trade" but they call it money. One man's stock is *another man's fixed asset.*

A true picture of cost of sales is indeed dependent on adjusting *opening stocks for inflation,* or the use of LIFO valuation methods. The calculation, how*ever, of average net assets* employed during the year requires no adjustment to the *opening Sandilands figures as* first published last year (or last quarter). At least we are all *agreed that inflation accrues* evenly through the year. The proper place for reflecting the *effect of inflation on net current* assets is in the cash flow statement. The distinction of con*tractor's work in progress* is basically one of credit terms—and there are very many varia*tions of these. Again we all seem* to make an assumption, namely that initial contract estimating *for profit* and inflation rates is perfect, with progress payments phased accordingly.

The key area is therefore the accounting treatment of credit—to the company, to the equity holder—and is one that everybody shies off, along with the allied problem of interest. Solve these questions comprehensively and then perhaps Sandilands can be logically expanded. Let us have achievable commonsense even at the risk of temporarily downgrading the principles of double entry.

T. K. Turnbull.
Chanco Industrial Associates,
8 Queen Anne Street, W.1.

Hapless unit holder

From Mr. M. Garner.

Sir,—I do not question that there will be economies of *scale from the merger of the* Slater Walker trusts, but these economies enure to the managers, not the unit holders. (The managers' wish to raise their charges to cover increasing costs is a matter for the Department of Trade to authorise and not for the trustee to take into consideration.) The managers are already under obligation to manage the trusts efficiently so there ought to be no increase in efficiency that would affect unit holders—unless, that is, the trustee has hitherto been negligent in ensuring the managers' due performance of their obligation.

I am not hostile to the merger of Slater Walker trusts as it reflects the incorporation of other management groups into Slater Walker; but I do consider that the proposals circulated to *unit holders should have been* candid about the fact that the only certain advantage of the pro*posals enures to the managers:* I consider, too, that it was the moral duty of the trustees to *have insisted on having this ex*plicitly stated, or at least to have stated their view on the advantages or otherwise to the unit holder, instead of taking cover behind the worthless statement that the proposals were "in a form suitable for submission to unit holders for their consideration." I consider the trustees should have explained why they had not required the expected operating economies to be passed on to the unit holders (very possibly because, when subdivided between all the unit holders, they would be derisory).

Inasmuch as unit trusts are supposed to be designed for the small, unprofessional investor, and the managers, whose special skills are put forward as the inducement to the public to subscribe, *are apparently free to* withdraw or coalesce without the unit holders' consent, the unit holder is in a pretty hapless position if the corporate trustees, too, take a narrow, self-regarding *view of their functions.*

M. R. Garner,
Albany Lodge,
Durlock Road,
Staple, near Wingham, Kent.

Steel plate mill plan

From Mr. Bill Tobutt.

Sir,—I refer to your report *of June 1* "Union denounces £257m. steel plate mill plan." Looking at it from the Hartlepool and Consett plate mills closing—with their social consequences and costs resulting from the loss of 2,000 jobs in that area—is only looking at a small part of the misconceived British Steel Corporation strategy.

The cost of providing jobs in areas of closures like the North-East, Scotland and Wales, is proving to be exorbitant and has never been evaluated or costed against the strategy. At Ebbw Vale and also here at Cardiff the efforts of BSC and the jobs team in providing alternative employment are proving to be very abortive. Lord Beswick, summing up at the review meeting, said that Ebbw Vale would be a test case for providing alternative jobs and if no jobs were forthcoming then closures would be halted.

If we look at the White Paper presented to Parliament in February 1973 we see that Consett was to be one of the steelworks that would be used as a supplementary source of supply for billets. East Moors currently supplies the largest customer for billets in the U.K.—Cardiff's Guest Keen and Nettlefolds' works. East Moors under the Beswick review will not close until GKN's requirements can be met from elsewhere. Why doesn't BSC now look again at *the development plan for East* Moors put forward by the East Moors Works Council which will produce steel cheaper than the BSC alternatives and will cost millions of pounds less in capital expenditure?

The men that I represent have *been shouting it aloud for years* that the strategy has economic weaknesses. We now feel a little relieved that no less a person than Mr. Bill Sirs is now thinking along the same lines.

Bill Tobutt,
Branch Secretary,
Transport and General
Workers' Union,
16, Banwell Place,
Llanrumney, Cardiff.

To-day's Events

GENERAL

The Queen and Duke of Edinburgh attend Commonwealth Day observance, Westminster Abbey.

Mr. Stanley Clinton Davis, Parliamentary Under-Secretary of State, Trade, opens new Companies Registration office, Cardiff.

Resumed inquest opens on victims of Appleby-Frodingham steelworks explosion, Scunthorpe.

Sir Lindsay Ring, Lord Mayor of London, begins visit to Berlin and Koblenz.

Post Office Engineering Workers' Union conference ends, Blackpool.

National and Local Government Officers' conference ends, Eastbourne.

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of Fair Employment (Northern Ireland) Bill.

OFFICIAL STATISTICS

Building Societies' receipts and loans (May). Usable steel production (May).

COMPANY RESULTS

Grand Metropolitan (half-year). *Pilkington Brothers (full year).* Thos. W. Ward (half-year). Whitbread and Co. (full year).

COMPANY MEETINGS

Allied Polymer, Connaught Rooms, W.C., 11. Dewhurst (L J), York, 12. Futura, Stalybridge, 12. Garnar Scotblair, Bermondsey, S.E., 2.30. Gleves Group, 87, Eaton Place, S.W., 12. Higgs and Hill, Waldorf Hotel, W.C., 12.15. News International, Stationers' Hall, E.C., 12. *Royal Sovereign,* Connaught Rooms, W.C., 12. Rush and Tomkins, Sidcup, 2.30. Scottish *Offshore Investors,* Glasgow, 12. Silhouette (London), 64, Baker Street, W., 3.

COMPANY NEWS + COMMENT

Tunnel advances by £2.15m. to £6.27m.

PRE-TAX profits for the year to March 28 1976 of cement manufacturers, **Tunnel Holdings** advanced from £4.12m. to £6.27m. after £2.1m., against £1.09m., for the first half. Turnover expanded from £26.3m. to £32.32m. and the share of associates turnover was £17.64m. compared with £17.83m.

Earnings are shown to be up from 17p to 27.7p per 50p share before extraordinary debits of £1.29m. (£0.2m.) and from 16.2p to 16.7p after such items. The final dividend is 6.154p net lifting the total from 8.1357p to 8.8682p.

	1975-76 £000	1974-75 £000
Turnover	32,318	26,290
Share associates	17,641	17,826
Trading profit	3,608	1,976
Share associates	1,646	1,567
From trade investments	152	170
Net interest received	721	700
Deb. stock interest	123	143
Exceptional credits	231	*139
Pre-tax profits	6,274	4,121
Net profits	3,371	2,177
Minorities	90	—
Extraord. debits	1,291	196
Attributable	2,080	1,957
Retained	917	930

After depreciation £1.87m. (£1.72m.). * Debit

Increases in associates' earnings in Ribblesdale Cement, Australia and Cyprus, have more than compensated for the reduction of the former share of profits of Nairn Williamson following its sale in September 1975, report the directors.

Extraordinary items include rationalisation and related costs at the West Thurrock works—£1,683,000—less £392,000 profit on sale of the former interest in Nairn Williamson.

Liquid resources increased by £4.3m. to £8.8m. at March 28, 1976, from disposals, £2.5m., and trading, £1.8m.

Investments in unquoted associates at book value of £812,000 have been valued by the directors at £6.24m. Other quoted trade investments which cost £558,000 had a market value of £2.2m.

The aggregate surplus of the valuation of all investments over costs is £7.07m.

● comment

Tunnel is 40 per cent. ahead before tax and adjusting for the extraordinary items. This year has started minus West Thurrock so Tunnel's two remaining plants are now running close to capacity, and the group reckons to be doing a lot better than the industry averages when it comes to volume cement deliveries. Running costs at Pitstone—where the old gas contract ended earlier this year—and a still bleak outlook for U.K. demand are the other side of the coin. But it is clear nonetheless that Tunnel is now a much leaner and fitter animal. At 168p a yield of 8.4 per cent. is covered around three times while balance sheet cash of £8½m.—net of debt—represents roughly a third of the current market capitalisation.

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Ozalid down at £5.14m.

FOLLOWING the fall from £4.57m. to £2.78m. in the first six months, pre-tax profits of **Ozalid Group Holdings** in 1975 dropped from a record £8.94m. to £5.14m.

Earnings per 25p share before extraordinary items are down from 17.3p to 8.6p. The net total dividend is held at 5.3p with an unchanged final of 3.13p.

Although recovery is well advanced in the U.S. the continuing economic problems in the U.K. make it extremely difficult to gauge the speed at which the anticipated improvement will occur in this country, says the chairman, Mr. N. J. Kiely.

However, with the right products and people, and a wide international base, the group is well placed for the future.

	Year 1975 £000	1974 £000
Turnover	42,913	39,735
Net profit before tax	5,140	8,942
Attributable profit	2,297	4,301
Extraordinary credits	564	*930
Attributable	2,861	3,371
Dividends	1,411	1,409

* Debits.

The group, makers of sensitised paper, is set for expansion by the promotion of new products and the development of existing products to new applications, the chairman points out.

● comment

Despite the 9p fall in **Ozalid's** share price over the past two days to 115p (close to its 1976 low point of 114p), there is still an element of glamour in the fully-diluted p/e of 13. Yet the 43 per cent. drop in profits (after a 13 per cent. slide between the two halves) is a far cry from the consistent increases stretching back nearly 20 years. Of course, the recession this time was deeper than before and even the 55 per cent. turnover overseas could not stem the tide in the U.K. which is normally the most profitable sector for Ozalid. Even though the restocking cycle has started outside the U.K.—and particularly in the U.S. where there could be a substantial turnaround into profits—the shares may still be vulnerable ahead of the Monopolies Commission report due after July which could impinge on margins. Another hurdle is that the company needs to show firmer evidence of diversification from the declining diazo market—its plain paper copier is still at least nine months away from launch. So even though strong overseas recovery could produce overall profits higher by a third in 1976, the shares may have to rely on the 7.2 per cent. yield for support.

RICHARDS OF SHEFFIELD

Following the recent acquisition of Archford Investments, the directors of **Richards of Sheffield** propose to rationalise the organisation of the resulting group, so that Richards will become the holding company to be known as Richards of Sheffield (Holdings).

Lonsdale Universal downturn

FOR THE six months to March 31, 1976, pre-tax profit of **Lonsdale Universal** shows a £188,000 contraction at £639,000. The directors state there is little to suggest that margins can be improved but current levels of profit are expected to be maintained in the second half. Profit for the last full year was £1.02m.

Basic earnings per 25p share, for the half year, fell from 5.47p to 3.83p and fully diluted from 5.27p to 3.72p. The interim dividend is lifted from 1.15p to 1.265p net. Last year's final payment was 2.6205p.

The half-yearly profit was made on turnover ahead from £9.06m. to £10.4m. and was struck after management costs and interest of £175,000 compared with £177,000.

After tax of £212,000 (£304,000) the net balance emerges down from £335,000 to £239,000.

● comment

Disappointing results for the half-year from **Lonsdale Universal** kept the shares at their low point of 46p for 1976, where the yield is 13.4 per cent. Although the company appears to have touched bottom in its trading at the end of last year, there are few signs of an upturn. Most divisions showed lower profits, with the exceptions of the technical and publicity sides. In retail, where the two new stores added last October have shown disappointing results, the picture is still dull, although in the other laggard sector, Packaging, there has been a slight upturn. The best point about the results is that the slide in margins has ceased. For this year, though, profits of around £950,000 seem the maximum. On a full tax charge the fully-diluted p/e is 6, which suggests that the market is waiting for tangible evidence of a full recovery.

57% rise for Pauls & Whites

AFTER BEING up from £1.21m. to £1.85m. in the first half, taxable profit of **Pauls and Whites** increased by 57 per cent. to a record £4.4m. in the year ended March 31, 1976.

All major sectors contributed to the results and the directors say that the second half was more profitable than had been expected at the interim stage.

Animal foods, other products for agriculture and milling contributed £1.4m. (£0.52m.) while malt and other brewing materials brought in £2.94m. (£2.59m.) and flavours, essences and hop products £116,000 (£140,000 loss). An analysis of turnover shows animal foods, etc., £69.97m. (£54.5m.), malt, etc., £37.6m. (£31.78m.) and flavours, etc., £4.51m. (£3.81m.).

Stated earnings per 25p share are up from 7.08p to 11.04p—final dividend is 2.17p net and the total 3.17p (2.883p), the maximum allowed.

	1975-76 £000	1974-75 £000
Turnover	112,074	90,054
Profit before tax*	4,402	2,809
Tax	2,241	1,538
Net profit	2,161	1,271
Debenture sinking fund	40	40
Available	2,121	1,231
Preference dividends	37	37
Ordinary	597	512
Retained	1,487	682

* After £48,000 (£135,000) relocation and closure expenses.

● comment

Full-year figures from **Pauls and Whites**, taking in a second-half profits advance of 60 per cent. after 52 per cent. at the interim stage, is nicely ahead of outside estimates and the shares rose 3p to 64p to yield 7.9 per cent. for a p/e of 5.6. National volume for animal feedstuffs moved ahead last year and P and W reckons to have increased its market share, but the malt and brewing materials division where profits are 13½ per cent. ahead could be a problem area this year. Cutbacks by the distillers have meant a certain amount of over-capacity for malt production which affected margins in the last three months of 1975-76, and is undoubtedly continuing to do so during this year. Elsewhere flavourings have moved on to the first stage of a recovery and the factory relocation is now complete, while prospects for this year basically hinge on the food manufacturers. Overall the group is expecting another improvement this year, aided by lower interest charges following a significant reduction in the overdraft from £9.7m. in the last accounts.

T. Locker exceeds forecast

COMPARED with a forecast of slightly less than £1.37m., profit, before tax, of screening and filtration engineers, **Thomas Locker (Holdings)** was £1.5m. for the year ended March 31, 1976, compared with £1.8m. in the previous 12 months. In the first half profit was down from £0.84m. to £0.69m.

Net final dividend is 0.53p and the total is raised from 0.6475p to 0.705p per 5p share.

	1975-76 £000	1974-75 £000
Turnover	12,168	10,590
Profit before tax*	1,503	1,804
U.K. tax	615	756
Overseas tax	186	524
Net profit	702	524
Minority holders	44	42
Attributable	658	482
Dividends	282	237
Retained	376	245

* Includes share of income from Associated Perforators and Weavers of £167,000 (£305,000).

● comment

With the second half showing a pre-tax decline of only 16 per cent. against a forecast of around 30 per cent., **Thomas Locker** is 17 per cent. lower overall. Behind the better than expected results is the improvement in profit margins from 11.5 per cent. to 13.1 per cent. between the two halves, indicating the company's success in reducing costs. Practically all the setback was due to a substantial reduction in profitability in Australia and the U.K. associate. Against this, the company has been able to increase substantially its U.K. exports, a development which may boost the current year's outcome. At 10½p, the p/e is 5.8 and the yield 11.3 per cent., covered 2.2 times.

Increase at Mellins

Lingerie, etc., manufacturers, Mellins reports turnover up from £0.81m. to £1.04m. for 1975 and pre-tax profits of £112,341 compared with £82,462.

After tax of £60,782 against £54,640, fully diluted earnings are shown at 1.5p (1.1p). Again there is no dividend.

Profits include investment income of £94 (£85) and rent received of £29,060 (£29,244) but are struck after loan interest of £8,106 (£11,394) and depreciation of £16,556 (£17,872).

The directors say they hope to report a satisfactory result for 1976.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Airflow Streamlines	3	July 15	2.58	4	3.75
Anglo Transvaal	80 (a)	Aug. 4	75	105	95
Berkeley Hambro Prop.	1.61	—	1.61	3.22	3.22
A. Cohen	2.9	Aug. 21	2.63	4.46	4.1
Crosby Spring	0.53	Aug. 14	0.48*	0.53	0.48*
Electronic Rentals	1.32	July 30	0.78	1.57	1.3
Fashion & General	2.42	July 16	2.19	4.02	3.7
Finance & Industrial	0.98	July 30	0.95	0.98	0.95
Gordon Johnson-Stephens	1	—	1	1.5	1.5
Guthrie	3.5	July 23	1*	6.5	11*
Thomas Locker	0.53	—	0.47	0.71	0.65
Lonsdale Universal ...int.	1.27	Aug. 6	1.15	—	3.77
Ozalid	3.13	July 23	3.13	5.3	5.3
Pauls & Whites	2.17	—	1.58	3.17	2.88
Pegler-Hattersley	3.7	Aug. 9	3.26	6.26	5.51
Queens Moat Houses	Nil	—	0.25	Nil	0.53
600 Group	1.82	July 30	1.66	3.32	3.06
South African Land int.	2.5 (a)	Aug. 6	7.5	—	30
Tunnel Holdings	6.15	—	5.67	8.87	8.14
Vaal Reefs ...int.	50 (a)	Aug. 6	75	—	175
Victoria Carpet	0.97	Aug. 20	0.88	1.41	1.31
Anglovaal Inds.	18(a)	Aug. 4	16	18	16
Western Deep ...int.	45(a)	Aug. 6	67.5	—	147.5
Middle Wits	20(a)	Aug. 4	20	35	42

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents throughout.

Electronic Rentals turns in £5.56m.

TURNOVER FOR the year to March 31, 1976, of **Electronic Rentals Group** expanded from £53.79m. to £67.56m. while pre-tax profits were £5.56m. after exceptional costs of £1.46m., against £6.52m. for 1974-75 which included exceptional credits of £0.83m.

Profits for 1975-76 compare with a forecast of £5.5m. made in January.

As indicated in January the final dividend is 1.319p net per 10p share lifting the total from 1.296p to 1.874p. An interim of 0.943p net is intended for 1976-77 payable next February.

Basic full-year earnings are shown at 3.8p (5p) or 5.2p (4.3p) adjusting for exceptional items. The net cash flow per share is given as 32.3p (31.2p).

The directors say that initial trading results for the current year are in line with expectations. Profits of £10m. have been forecast for the year.

	1975-76 £000	1974-75 £000
Turnover	67,562	53,787
U.K. rental	39,473	28,917
O'seas rental	3,261	3,594
Retail	3,757	3,472
Camping etc.	16,797	12,077
Property	65	98
Miscellaneous	189	148
Exceptional	—	4,419
Trading surplus	26,589	21,062
Depreciation	15,322	11,280
Interest	3,477	2,489
Lease payments	862	382
Profit	7,027	5,493
U.K. rental	6,245	5,397
O'seas rental	95	*446
Retail	290	304
Camping etc. loss	110	†271
Property	104	[illegible]
Miscellaneous loss	2	42
Holding co.	513	197
Exceptional costs	‡1,464	†834
Profit before tax	5,563	6,327
Tax	[illegible]	3,786
Net profit	2,290	2,781
Minorities	24	17
Extraord. debits	471	128
Leaving	1,753	2,616
Dividends	1,279	718
Retained	506	1,898

* Loss. † Profit. ‡ Mainly integration and rationalisation costs of TV rental acquisitions.

● comment

Pre-tax profits of **Electronic Rentals** are in line with the forecast of £5.5m. given last January; profits before exceptional items (rationalisation costs following recent TV rental acquisitions) are a little lower than expected, but the exceptionals themselves are only £1.46m. against the projected £1.8m. The group remains on course for the £10m. pre-tax indicated for the current year, which will drop the p/e at 58p from 14.9 to around 8½. Rationalisation following the Loyds takeover is apparently going according to plan—starting the year with 335 branches, ER bought over 200 new ones but finished with only 380 still open. This is producing a rise of 43 per cent. in colour set density. In the circumstances, ER claims it is quite happy that new business should be so depressed, leaving it with more time to concentrate on reorganisation.

A. Cohen £789,000 shortfall

METAL REFINERS and manufacturers of non-ferrous alloys, **A. Cohen and Co.** reports taxable profits some £0.8m. down at £1.49m., for 1975, on turnover showing a marked contraction at £20.76m. against £41.6m.

At midway when reporting a decline from £1.49m. to £0.83m. the directors said that they believed that profits for the second half would not be far short of those for the first. In the event the second half finished £170,000 short of the first.

For the year earnings per 20p share are shown to have fallen from 46.4p to 33.3p and the final dividend is 2.896p net for a total payment of 4.464p (4.1024p).

● comment

Second-half profits at A. Cohen are below the interim estimate and the shares fell 10p to 110p. Demand for metals was poor in 1975 and has remained so in the U.K. so far this year but in Australia and South Africa a recovery is under way. With demand for commodities improving, these results may mark the low point for this cyclical company. Cohen invested £2m. last year on new plant, while borrowings were slightly lower. The shares now yield 6.4 per cent. (covered 7½ times) while net worth stands at some 2½ times market capitalisation.

GRAND HOTEL BIRMINGHAM

Mr. M. Spencer, of chartered accountants Stoy Hayward and Co., who was appointed receiver and manager of the Grand Hotel (Birmingham), has announced the termination of the agreement under which Cherrymere managed the Grand Hotel in Colmore Row, Birmingham.

Commenting, Mr. Spencer said it was intended to continue to operate the Grand Hotel through Indiscube, a new wholly-owned subsidiary company of Grand Hotel Birmingham (in receivership).

Victoria Carpet in profit

A TURNROUND from a loss of £256,293 to a profit, before tax, of £579,215 is announced by **Victoria Carpet Holdings** for the 53 weeks ended April 3, 1976. In the first half there was a profit of £244,144, compared with a loss of £109,216.

The directors explain that both the U.K. and Australian companies came through the year comparatively well. However, in both countries there are now very competitive conditions.

Compared with a forecast 0.875p net, final dividend is 0.9701p for a total of 1.4076p (1.3125p) per 25p share. Following amendment to the Articles of Association, holders of "A" Ordinary shares receive cash dividends on the same basis as existing Ordinary shares.

	1975-76 £	1974-75 £
Turnover	9,736,738	7,249,619
Profit before tax	579,215	*256,293
Taxation	234,673	33,626
Net profit	344,540	*289,919
Dividends	81,673	‡78,814

* Loss. ‡ Includes £23,867 appropriated for issue of "A" Ordinary shares.

ISSUE NEWS AND COMMENT

Staffs. Potteries £337,000 placing

Staffordshire Potteries (Holdings) based in Stoke-on-Trent is proposing to almost double the production capacity of its "Kilncraft Tableware" range at a cost of some £1.9m. In order that part of this cost can be offset with permanent capital a placing has been arranged to raise £337,000 by Hill Samuel of 250,000 new Ordinary 25p shares at 140p per share amongst institutional investors. The shares closed in the market at 158p, unchanged on the day. The group is also forecasting profits of £600,000.

The "Kilncraft" range has been a fast moving product since its introduction in 1971, and now represents 37.5 per cent. of annual turnover. The expansion of production will include fully equipped modern plant representing a 36,000 square feet expansion to the existing factory.

In addition to the placing Staffordshire has arranged a five-year loan from Barclays Bank for £1m. Also existing loans from Hill Samuel Life Assurance have been consolidated and the interest coupon has been increased to 10½ per cent., costing an additional £3,950 per year. The Secretary of State for Industry has indicated an interest relief grant amounting to £200,000 spread over two years.

Interim profits for the half year to last December 31 showed an increase from £140,000 to £215,000, and the group is now forecasting pre-tax profits of £600,000 (£513,000) for the year to June 30.

Subject to the placing becoming unconditional, the Board proposes to pay a final dividend of 7p per share to make a total of 9.5p against 4.927p for 1974-75.

Brokers to the placing are Orme and Company.

● comment

Staffordshire Potteries' decision to help finance its expansion programme by a placing is understandable. A difficulty with a rights issue may have been the group's small size—it is currently capitalised at around £1.6m. with only about 800 shareholders. And financing the full cost of the programme through borrowings would have pushed the gearing/equity ratio to about 2 times. The main reason for the expansion is a planned push into new export markets by Kilncraft which has been the main growth area for some time. The potential here could be substantial—the U.S. and West German markets are still unexplored—but it seems unlikely that this prospect will excite the shares much in the short term. After all, it could be two years before this move pays off and with the 9¾ per cent. loan stock likely to convert in the immediate future it seems probable that earnings per share will take a dip in the meantime. In fact a pre-tax profit of at least £830,000 would be required in 1976-77 to hold e.p.s. at the 25.2p level forecast for this year. At 158p the shares yield a prospective 9¼ per cent.

GUTHRIE ROPEL

The **Guthrie Corporation** has placed with Malay investment interests 4,950,000 shares of $1 each in its Malaysian subsidiary company, Guthrie Ropel Berhad, at par, thereby reducing its interest in the company to 65 per cent.

Guthrie Ropel owns 38,000 acres of rubber and oil palms, 20 per cent. of the total acreage of the Corporation in Malaysia. Its shares are quoted on the Kuala Lumpur Stock Exchange.

Orion ahead at £4.2m.

Profits before tax of the **Orion Insurance Company** improved from £4.04m. to £4.19m. in 1975, after an unchanged £1.82m. in the first six months.

As expected, investment income at £3.54m. does not differ materially from the £3.28m. in 1974. Profit is struck after underwriting profits of £1.26m. (£1.19m.) and expenses of £609,000 (£426,000). The company is a subsidiary of Nationale-Nederlanden.

The chairman, Mr. L. J. Raill, says that while the marine result is satisfactory, the two open underwriting years, 1974 and 1975, give cause for concern.

The 1974 year is seriously affected by the high incidence of casualties, unprecedented inflation and a high level of international competition and there is little doubt that the marine market as a whole will show an overall loss for that year.

On airline business and accounts the ever increasing capacity of the world market coupled with direct competition are having the effect of depressing rates still further when they would appear to be too low already.

The end of 1973 and the beginning of 1976 produced severe losses, including major accidents to four wide-bodied aircraft, which will drastically alter the overall loss ratio for the 1975 underwriting year.

	1975 £000	1974 £000
Investment income	3,536	[illegible]
Marine profit	1,006	[illegible]
Aviation	230	[illegible]
Marine prior years	480	[illegible]
Aviation prior years	148	[illegible]
Non-marine loss	190	[illegible]
Fire and accident loss	360	[illegible]
Expenses, etc.	609	[illegible]
Profit before tax	4,188	[illegible]
Taxation	2,781	[illegible]
Dividends	500	[illegible]
Retained	907	[illegible]

Pegler-Hattersley well above forecast

PROFITS BEFORE tax of Pegler-Hattersley expanded to £14.44m. for the year ended March 27, 1976 compared with a forecast of some £11m. In the previous year profit was £8.53m.

First half profits increased from £3.05m. to £5.52m. and the directors said then there were reasonable expectations that the first half performance would be able to be repeated in the second six months.

Stated earnings per 25p share are up from 17.2p to 25.3p and as forecast the dividend is lifted from 5.507p to 6.256p net with a final of 3.706p.

There has been a satisfactory start to the new year the directors report but at this stage it is too early to say whether the outturn will match the record performance of 1975-76.

The group trades as makers of domestic plumbing and heating fittings, industrial valves and general industrial products.

	Year 1975-76 £000	1974-75 £000
Sales	68,491	56,518
Trading profit	10,408	8,333
Associates share	4,165	3,387
Interest paid	236	248
Metal stock appreciat'n	100	*925
Profit before tax	14,437	8,527
Tax	7,406	4,297
Net profit	7,091	4,230
Dividends	1,537	1,325
Retained	5,134	2,895

* Depreciation.

See Lex

London Trust sees further progress

Chairman Mr. E. D. G. Davies says that the current spread of London Trust Company's portfolio, in which he includes gilts and current cash, allows the directors to look forward to another year of progress.

As known, gross revenue for the year ended March 31, 1976, improved from £2.65m. to £3.31m. and net revenue rose from £1.14m. to £1.37m. The dividend per 25p deferred share is effectively raised from 4.83p to 5.5p net.

Mr. Davies reports that the U.K. based portion of the portfolio marginally bettered the performance of the FT Ordinary index over the year but the company's overseas stocks did not fully match their respective indices.

He adds that there has been a shift in the company's overseas interests during the year and it is hoped that these changes will prove beneficial in the future.

Part of the expansion in overseas holding has been achieved by increasing borrowings in overseas currencies. Apart from a Swiss Franc loan, the borrowings are in U.S. dollars and have been invested almost wholly in North American stocks.

Scott & Robertson to improve

IN HIS annual statement, the chairman of Scott & Robertson, Mr. H. B. Pirie, says that, despite present uncertainties, there are indications that results for the current year will show "a marked improvement" over 1975-76.

During the year, Tay Textiles, the main operating subsidiary, made a significant profit contribution, despite periods of short time working and very difficult trading conditions. All units are now working at full production and should continue to do so for some months ahead. Tay is now experiencing a marked increase in export demand and the chairman expects this to continue.

Thomas Boag & Co. is experiencing some improvement in demand for its packaging materials. Its operation in Wales worked profitably during the year. An increase in the profit contribution by this subsidiary is expected this year. No loss should be incurred in Holland, members are told. Some improvement in profit margins is foreseen and despite the serious setback experienced during 1975, the company emerged financially strong and "will take full advantage of the upturn in trade."

As reported on May 29, pre-tax profits fell from £575,130 to £109,249 in the year to February 27, 1976, on turnover of £14.35m. (£17.32m.). The dividend is 1.8627p (1.54p) net.

The combination of the loss in Holland and the effects of the severe recession on trading activities in the U.K. reduced profits says Mr. Pirie. But over the past three months there has been a marked improvement in monthly trading results and the forward order position indicates that the improvement should be maintained.

The Grange factory, closed in 1974, remains unsold and is retained in the accounts at book value. The building is modern and in due course should realise a price in excess of the book value reports the chairman. From the date of the closure in 1974 up to February 27, 1976, plant and stock realised £644,000 (£418,000) and these funds contributed significantly to the improved liquidity.

Meeting, Dundee, on July 2 at noon.

Little change for Fashion and General

Taxable profit of Fashion and General Investment is little changed at £141,331 (£145,601) for the year to March 31, 1976 after £69,000, compared with £76,000 in the first half.

Final dividend per 5p share is 2.42p net, making a total of 4.02p—the maximum allowed—against 3.70125p.

The ultimate holding company is The Scottish and Mercantile Investment Co.

	1975-76 £	1974-75 £
Pre-tax profit	141,331	145,601
Taxation	58,894	61,417
Minorities	44,088	44,088
Attributable Ordinary	82,393	84,250

600 Group £2.1m. off—£5m. rights

A DROP in pre-tax profit from £10.23m. to £8.12m. in the year to March 31, 1976, a forecast of an improvement in trading conditions for the current year, and a rights issue to raise about £5m. is announced by The 600 Group.

Sir Jack Wellings, chairman, says that although the outcome was not as high as the previous record year, he believes the results to be good in the depressed economic circumstances.

Profit from machine tools, and other engineering products and services showed increases but there was a sharp downturn from £5.45m. to £2.54m. in iron and steel products and services. The chairman notes, particularly, that U.K. exports showed a further increase to £35m.

Before extraordinary items, stated earnings per 25p share are 9.4p, compared with 12p. The net final dividend of 1.5216p is the maximum allowed and raises the total from 3.0615p to 3.3216p—the new Ordinary shares from the rights issue will not rank for the final payment.

Explaining the purpose of the rights, the directors say they consider that existing activities of the 600 Group can be expanded both in the U.K. and overseas. The expected recovery in the U.K. economy "will lead to further profitable trading and investment opportunities."

Capital expenditure of £5m. has already been authorised for the current year and will be financed out of the existing resources of the group. Substantially the whole of this expenditure will be used to improve and expand the facilities of U.K. manufacturing and processing units.

They point out that the company should have sufficient funds available to take advantage of opportunities arising, and an increase in the permanent capital base will also permit the financing of additional working capital and further fixed capital investment both in the U.K. and overseas.

A total of 9,661,923 new Ordinary shares of 25p each will be offered to existing holders at 58p, in the proportion of one-for-four. The issue has been underwritten by J. Henry Schroder Wagg and Co. and it is expected that Provisional Allotment Letters will be posted on June 28 for acceptance not later than 3 p.m., July 19.

	1975-76 £000	1974-75 £000
External turnover	154,455	151,969
Iron and steel	77,375	95,666
Machine tools	42,611	36,668
Other	34,466	20,585
Operating profit	15,270	17,647
Depreciation	1,910	1,778
Interest charges	2,221	1,427
Profit before tax	8,119	10,228
Iron and steel	2,376	5,447
Machine tools	[illegible]	[illegible]
Other	1,655	2,111
Tax*	4,243	[illegible]
Net profit	3,877	5,606
Minority holders	402	605
Extraord. debits	100	267
Attrib.	[illegible]	4,161
Pref. div.	[illegible]	93
Interim	540	502
Final	670	595
Scrip	—	46
Retained	2,096	[illegible]

*Includes deferred tax [illegible] and overseas tax [illegible]. [illegible] from realignments of currency values [illegible] losses and know-how purchased and written off after tax £119,000. Last year there was a provision for closure costs after tax [illegible]. [illegible]

A statement of source and application of funds shows an increase of £5.25m. in bank balances and cash (£2.76m. decrease) and a decrease of £1.74m. (£1.07m. decrease) in bank overdrafts and short-term loans. At year-end cash balance was £6m. (£0.7m.) and overdrafts and short-term loans stood at £4.8m. (£5m.).

See Lex

Guthrie produces £8.1m. in difficult year

PROFITS before tax of the Guthrie Corporation amounted to £8.09m. in 1975 compared with £9.72m. previously and the performance is described as "creditable in a difficult year" by the chairman, Sir Eric Griffith-Jones.

And taking into account results for the first four months of this year, the chairman considers it probable that earnings for 1976 will show improvement over last year "and indeed over 1974."

The exception last year was in the European region where a loss of £1m. in 1974 was increased to £4.5m. Higher costs of operations and reduced demand led to substantially lower margins.

By far the biggest losses were made in the British Carpets division in the U.K. and the Weill division in France.

In view of the need to conserve liquid resources to finance current assets, the directors have concluded that cash cost of dividends for 1975 should not be greater than the £1.935m. in 1974.

	1975 £000	1974 £000
Turnover	225,400	148,526
Operating profit	11,526	12,290
South East Asia	9,415	11,304
Europe loss	4,610	995
Pacific profit	2,675	[illegible]
North America	2,354	1,263
Total trading	[illegible]	379
Exchange gain	1,117	[illegible]
Investment income	665	389
Interest charge	5,474	[illegible]
Profit before tax	8,099	9,722
Taxation	6,247	6,749
Net profit	1,852	2,973
Extraordinary credits	678	1,256
Profit	[illegible]	4,229
Minorities	498	759
Attributable	2,036	3,470
Preference dividends	30	[illegible]
Ordinary dividends	1,966	3,090
Retained	[illegible]	331
Attributable assets	92,650	94,129

† Loss

A final dividend of 3.5p net is recommended making a total of 6.5p per share absorbing £1.87m. The previous total was an equivalent 11p. Stated earnings per £1 share are 4.7p (9.4p) before extraordinary items and 7p (14.6p) after such items.

Results of Ajax Magnethermic Corporation of the U.S. are included from August 10, 1975, the date of completion of the acquisition, but they provided, even after the cost of financing the acquisition, a useful contribution to earnings for the full year, says the chairman. The company has a sound order book, and good prospects.

A substantial increase in interest charges results from inclusion of a full year's interest from Guthrie and Co. (U.K.) subsidiaries (1974—5 months); inclusion of five months interest on borrowings related to the acquisition of Ajax Magnethermic and higher interest charges in associates.

The taxation charge is again extremely high at 77 per cent. of profit. This results from losses incurred by certain subsidiaries which were not available for tax relief against other group profits, and unutilised ACT now written off.

The chairman says there is some indication that the corrective action taken in the last two years has improved prospects of a return to profitability in Europe, but in the textile and related sectors there are as yet few signs of recovery from the extremely depressed conditions of 1975, either in the U.K. or on the Continent.

Two new mills in Malaysia being commissioned to process palm oil fruit represent a major new investment of over £7m. They are an essential addition for optimising profitability of the increasing oil palm crop, says the chairman.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Camford Engineering, Gloucester and Cheltenham Greyhounds, Grand Metropolitan, Croesus Proprietary Mines, Marievale Consolidated Mines, T. W. Ward.

Finals—British Cinematograph Theatres, Highams, Amos Hinton, Ingersoll Group, Knott Mill B. Paradise, Pilkington Bros., Sumrie Clothes, UBM Group, Whitbread.

FUTURE DATES

Interims—

Crest Nicholson	June 30

Finals—

Evans of Leeds	June 22
Haslemere Estates	July 21
Imperial Continental Gas Assn.	June 22
Pullman (R. and J.)	June 25

Berkeley Hambro

GROUP REVENUE of Berkeley Hambro Property Company rose from £5.67m. to £7.94m. in 1975 and pre-tax profits increased from £1.34m. to £2.03m. after dropping from £1.07m. to £0.71m. in the first half.

Full year earnings are shown to be up from 4.1p to 5.8p per 25p share before extraordinary items. The dividend total is kept at 3.22p net with a final payment of 1.61p.

The net asset value is given as 242p (292p) per share.

	1975 £000	1974 £000
Group revenue	7,943	5,665
Outgoings*	7,670	4,536
Interest†	1,393	1,180
Share associates	465	‡650
Pre-tax profit	2,031	1,339
Tax	952	673
Minorities	113	140
Extraord. credits	1,219	‡759
Leaving	2,315	516

* Property outgoings management expenses, and interest payable. † Attributable to investment properties in course of development. ‡ Loss

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£25¾	£21¾	Barry Pacific Fd. US$1	£24¼	......	40c	—	0.9	—
$10,500	F.P.	—	$10,500	$8,500	Bradlvest S.A.	$8,500	......	—	—	—	—
—	F.P.	—	£24⅛	£23	Emhart Corp. US$1	£23⅝	+⅛	$1.20	—	5.0	—
47	F.P.	9/7	43	41	Wilson Walton 10p	42	......	bd1.19	2.1	11.9	6.1

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£99	£10	26/8	9⅞	7½	Birmingham (City of) 12% Red. Stock 1985	9½	......
115½	F.P.	18/6	126	114	Bowring (C.T.) 10% Conv. 1987	118	−4
£99¼	F.P.	4/6	100	98	Chester Water 8% Red. Pref. 1981	98	......
£99⅜	F.P.	11/6	100¼	98½	East Worcs. Water 8% Red. Pref. 1981	98½	......
C$100	F.P.	—	99¼	98½	IAC 9¼% Notes 1981	$97½	......
US$100	Nil	—	$99¼	$99	Lloyds Eurofinance Guar. Fl'ting N'te 1983	$99	......
£98¼	£10	23/7	11¼	10	Newcastle & Gateshead 8% Red. Pref. 1981	10	......
US$100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1983	$101	......
US$100	F.P.	—	100⅛	99½	Sandvik 8½% Bonds 1986	$99½	......
£98¾	F.P.	25/6	£98½	£98½	Scottish Agric. Secs. 14% Deb. 1993	£98	−⅛
£100	250	8/7	74	60	Sears Met. 8% Conv. '89	63	......
£99	£10	—	10⅛	10⅛	Sunderl'd and S. Shields Wtr 8% Red. Pref 1981	10⅛	......
£99	F.P.	14/5	99⅞	99	Sutton Dist. Water 8% Prf. 1981	99	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
350	F.P.	4/6	17/6	495	463	Aust. & N.Z. Bank	495	......
250	F.P.	28/5	25/6	296	277	Bank of Ireland	290	......
C$14	Nil	—	—	15	11	Bank of Montreal	11pm	−1½
68	Nil	18/6	6/8	11	6	Bejam Group	10pm	−1
70	F.P.	1/6	9/7	105	98	Boddingtons	98	......
55	Nil	21/6	16/7	6	1	Booth (Intl.)	3pm	......
15	F.P.	28/5	11/6	17¼	16	Boulton Wm.	17	......
65	F.P.	18/5	15/6	83	66	Bowring (C. T.)	70	−1
14	Nil	16/6	30/7	2¼	½	Coalite & Chemical	2¼pm	......
140p	Nil	—	—	30	25	Dunbee-Combex-Marx	26pm	−5
8p	Nil	—	—	1½	¼	Elswick-Hopper	1pm	−½
38	F.P.	7/5	18/6	50	41	Eva Inds.	44	......
85	F.P.	21/5	18/6	111½	101	Glynwed	104	......
116	F.P.	14/5	11/6	151	131	Greene King	146	......
305	F.P.	27/5	2/7	428	380	Heath (C.E.)	410	......
330	F.P.	10/6	2/7	[illegible]	353	I.C.I.	358	−2
47½	F.P.	—	—	59½	52	Lesney Products	59	......
57	F.P.	3/5	20/7	71½	61	Lloyd (F.H.)	62½	−½
186	P.P.	28/5	9/7	214	199	Lucas Inds.	203	−2
35	F.P.	11/6	2/7	38½	35¼	Mathieson (Wm.) & Denny Mott	35pm	−¼
120	F.P.	11/6	9/7	150	134	Portals	151pm	+1
21	Nil	22/6	20/8	3	1¼	Press (William)	1½pm	−1
47	Nil	10/6	23/7	11½	2½	Ransome, Hoffman, Pollard	5pm	−½
400	F.P.	21/5	25/6	492	440	Selection Trust	460	+5
32	Nil	16/6	23/7	3	½	Tootal	¾pm	−½
45	F.P.	28/5	29/6	66	44	Tricentrol	48	−2
$A1.20	Nil	18/6	—	64	38	Western Mining	54pm	+1
70c	P.Pd	—	—	81	49	Woodside-Burmah	48	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ⁂ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♠ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants. ♦ After suspension.

MINING NEWS

Vaal Reefs pays only 50c

BY KENNETH MARSTON, MINING EDITOR

GENERALLY speaking, the reductions in the June dividends declared by the South African gold mines have been less than was generally expected and it may be that the companies have taken heart from the modestly encouraging result of the first of the International Monetary Fund gold auctions. But the interim of 50 cents (32.5p) now declared by Vaal Reefs will come as a disappointment. Last year the mine paid a total of 175 cents.

Western Deep, however, is declaring a satisfactory 50 cents (32.5p) which compares with 67.5 cents a year ago and the subsequent final of 80 cents. As earlier anticipated, the elderly East Daggafontein will cease to qualify for State assistance as from January 1 next and, unless there is a "considerable" improvement in the gold price, underground operations will be terminated at the end of this year.

East Dagga is not declaring an interim dividend this year and the company considers it extremely unlikely that it will be possible to pay a final. Any resumption of payments next year will depend on the gold price and the economics of continuing to treat the waste rock dump. The company's "break-up" value is not significant.

Anglo-Transvaal Consolidated estimates a consolidated net profit for the current year to June 30 of R.13.5m. (£8.78m.) compared with R.12.9m. in 1974-75. A final dividend of 80 cents makes a total of 105 cents (68.3p) for the year against 95 cents. Middle Wits is declaring a final of 20 cents, making a total of 35 cents (22.8p); estimated profits for 1975-76 are R.4.47m. (£2.91m.) compared with R.8.2m. for the previous 18 months.

RHONICKEL'S LABOUR NEEDS

The Anglo American Corporation group's Rhodesian Nickel Corporation is suffering from a shortage of skilled and experienced men. "It is this aspect of our operations which gives me the greatest cause for concern in the coming year," says the Rhonickel chairman, Mr. G. A. Carey-Smith.

He adds that efforts to recruit senior skilled men have met with only limited success and he thinks that the position is unlikely to improve until "Rhodesia can once again offer a secure future."

The labour problem is ironic at a time when Rhonickel could otherwise expect a good year with improving nickel demand and higher production from the Trojan and Madziwa mines plus first production from the new Epoch mine which came on stream in January. In the year to last March, Rhonickel's net profits fell nearly 16 per cent. to just under $Rh.2m. (£1.8m.).

ROUND-UP

An underground fire in the No. 5 West sub-vertical shaft at West Driefontein is reported. No men have been affected by smoke or fumes and proto teams are at work. The South African gold mine expects an initial production loss of about 10 per cent., but does not think that output will be more adversely affected. The shares were £1½ up at £27 yesterday.

* * *

Wednesday's comment that dealings in Tronoh, Ayer Hitam and Sungei Besi will now be subject to the investment dollar premium applies only in the case of purchases of the shares by U.K. residents from non-residents. London ex-premium prices yesterday were Tronoh (102p), Ayer Hitam (255p) and Sungei Besi (42p).

* * *

The Philippines gold-producer Benguet Consolidated, has declared a mid-year dividend equal to 6.6 cents (3.7p) on the convertible preferred class A, common class A and common class shares. It will be payable on August 31 to shareholders registered on July 1.

* * *

The Australian Government is to guarantee bridging finance for copper mines which have been hit by the recent depression in the metal price but which have prospects for future viability. Mines which produced more than 1,000 tonnes of contained copper in 1974-75 will qualify for the assistance in the form of a Government guarantee on the repayment of principal and interest on commercial borrowings up to June 30 next year.

MINING BRIEFS

WESTERN MINING—Four weeks to June 1: Central Norseman Gold treated 11,187 tonnes for 7,221 ounces. Kalgoorlie Mining Associates* treated 54,841 tonnes for 7,796 ounces.
* Includes 1,388 ounces from Chaffers Mill clean-up.

Ship orders show Furness Withy's long-term faith

RESULTS so far at Furness Withy and Co. give grounds for believing that the current year will show an improvement over 1975, says chairman Sir James Steel.

The company's diverse investments outside shipping and other marine activities produce a valuable addition to profits and the director's long term faith in the shipping industry is demonstrated by the order of new ships to be handed over to the company during the next three years.

Sir James tells mebers that it would be imprudent to wait for a boom before ordering new ships or to rely on buying second-hand ships when they will fetch exorbitant prices.

It is better to have a few ships laid up for a short time than to have an outdated fleet when the next boom begins, he states.

With the orders the company has placed it will have an ideal modern fleet available in the 1980's. And the directors are satisfied that the company has adequate resources to finance this building programme: cash flow forecasts show that the company will be able to meet these commitments as they fall due, says the chairman.

Taxable profit for 1975, reported May 19, fell sharply from £24.72m. to £14.14m. but, Sir James points out that, 1974 was an exceptionally good year for shipowners and the company made the most of it.

With the profit and cash flow provide by 1974 the group was strengthened and organisation improved.

It would be unwise to expect an immediate upturn to 1974's peak, says Sir James, but he hopes that continuous progress will be made towards it.

Overseas Containers, in which Furness Withy has a 13.4 per cent. holding, with an investment programme of over £250m. is going forward with plans for the containerisation of five new trade routes. On completion Furness Withy will have a slightly larger holding in a much expanded Overseas Containers.

An agreement had been entered into for the disposal of part of the company's interest in Furness House, on completion of extensive refurbishment work to be undertaken by the purchasers. The building work has been finished, but the purchasers have failed to complete the agreement, which called for a cash payment of just over £2m.

For some years the group's interest in hotels in the U.K. has been represented by a 75 per cent. shareholding in Saxon Inn Motor Hotels, whose business has been managed by Saxon Inn Management in which the group had a 26 per cent. interest. The balance of the equity in both these companies was owned by three executive directors not involved in any other part of the group's business.

Since the end of the year, agreement has been reached to acquire the outstanding 25 per cent. share capital of Saxon Inn from those directors for £150,000, dispose of the 26 per cent. shareholding in the management company to them at a nominal figure and terminate the management contract on payment of £220,000 compensation.

The Saxon Inn Hotel at Huddersfield has been sold to those executive directors at its open market value of £500,000, of this consideration £130,000 being for settlement on deferred terms. Saxon Inn Motor Hotels retain the ownership of four hotels with an open market value of approximately £1.3m.

All the major land and buildings owned by the group were professionally valued and the surplus over book values amounts to some £9m.

Notes to accounts show compensation to a director for loss of office of £40,000.

Future capital expenditure contracted for amounted to £57.69m. and authorised, but not contracted for totalled £14.31m.

At May 17 Eurocanadian Shipholdings was interested in 23.33 per cent. of the company. Meeting, 105, Fenchurch Street, E.C., on July 2 at noon.

Statement Page 3

Inch Kenneth Rubber down to £88,000

A decline in pre-tax profit from £142,587 to £88,157 is announced by Inch Kenneth Kajang Rubber for 1975. Tax takes £33,854, compared with £26,840.

There is overspill relief of £2,168, against £800, and £17,965 (£20,637) gains on conversion to sterling.

Final dividend is 0.8814p net for a 1.2064p total (1.112875p) per 10p share.

HEADLAM SIMS

Headlam, Sims and Coggins is proposing to convert its 50,000 unissued preferernce shares of £1 each into 1m. Ordinary shares of 5p each and at the same time substitute a rate of 5.6 per cent. net for the fixed rate of dividend on the 50,000 issued 6 per cent. cumulative preference shares.

In addition, the Board is proposing to alter the borrowing limits of the company to twice the aggregate of paid up share capital and reserves for a maximum limit of £990,000: group borrowings at June 7, 1976 amounted to £9,425.

FRATERNAL ESTS.

Because of problems principally arising from the recent computerisation of the management accounting system the auditors of Fraternal Estates are unlikely to complete the necessary work for the report and accounts for 1975 to be despatched to holders before the end of September, 1976.

A further complication factor has ben the additional work arising from the disposals of both Fraternal Developments and Woodcanton Holdings which were the subject of a circular sent to holders on December 23, 1975.

Tate & Lyle up £2.4m. so far

[R]EPORTING pre-tax profits up [fr]om £24.4m. to £26.8m. for the [six] months to March 31, 1976, the [ch]airman of Tate and Lyle, Mr. [Jo]hn Lyle, says the results are [mo]st satisfactory and he looks [fo]rward to another record for the [fu]ll year.

Earnings are shown at 21.9p [(...7p)] per £1 share on capital [in]creased by the one-for-four [ri]ghts issue of last August. An [in]terim dividend of 2.3p net has [al]ready been paid. The total pay[m]ent for 1974-75 was 10.8p from [pr]e-tax profits of £47.5m.

	Half year 1975-6 £m	Half year 1974-5 £m	Year 1974-5 £m
[Su]gar refining profit:			
U.K.	3.0	4.8	7.5
Overseas	1.5	2.5	4.2
[Co]mmodities	13.4	13.7	32.4
[Sh]ipping	0.7	3.8	0.4
[Ra]w sugar production*	0.2	2.3	4.7
[En]gineering, etc.	[illegible]	10.1	1.7
[Sh]are of associated	0.9	1.0	2.9
[Ce]ntral [illegible]	1.7	3.7	5.1
[Pr]ofit before tax	26.8	24.4	47.5
[U.]K. tax	10.6	9.4	21.1
[O]verseas	3.3	2.4	2.3
[Ne]t profit	12.9	12.6	24.1
[Mi]norities	1.0	0.9	1.2
[At]tributable	11.9	11.7	22.9

* Stated on basis of half estimated total [fo]r year. Results for the half year to [M]arch 31, 1975, re-stated on basis of half [ac]tual total for 1974-75.
[†] Loss.

Mr. Lyle reports that the main [co]ntribution to earnings came [fr]om the handling, trading, [st]orage and distribution of com[m]odities. Policy is to invest in [th]ose assets which enable the [g]roup to play an active physical [p]art in international trade in [b]asic foods, feedstuffs, fuels and [ch]emicals.

Agreement has been made with [H]ercules Inc., a major U.S. [c]hemical company, jointly to [d]evelop and market new fermen[t]ation products of high value and [g]rowing importance to the food, [te]xtile and oil industries. This [e]xtends the range of products [h]andled, says the chairman, as [d]oes long term investment in the [E]EC starch industry announced [la]st month.

During the half year, the group [h]as signed agreements with the [A]CP countries that will ensure [c]ontinuing deliveries of cane [s]ugar to the refineries.

A substantial interest in the [n]ewly formed National Sugar [C]ompany of Jamaica has been [ac]quired. This was achieved [t]hrough the sale of West Indies [S]ugar Company shares, for which [£]2.1m. has also been received. As WISCo will no longer be consolidated, £6.2m. will be eliminated from group reserves as an extraordinary item in the annual accounts.

Tate and Lyle Engineering, whose major concern is agro-industrial projects throughout the developing world, has negotiated contracts worth over $200m. and prospects "are excellent."

Also announced is a joint venture agreement with Artoc (SAK)—the Kuwait-based investment and finance company. The intention is to combine Tate and Lyle's engineering and agricultural expertise and the extensive contacts of Artoc to obtain major contracts throughout the Middle East, particularly in the agro-industrial field.

Tate and Lyle has taken an equity stake in Artoc and senior company executive, Mr. Andrew Currie, will be appointed to the Artoc Board. Already several major projects are being discussed.

Artoc specialises in the investment and financial fields with a special responsibility for the financial funding and management of projects in the Arab countries and Europe.

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See Lex

Upturn at Airflow Streamlines

After being down £77,000 to £63,000 at halfway, Airflow Streamlines finished the year February 29, 1976 with pre-tax profits up from £230,061 to £252,083.

Earnings per 25p share are 4.858p (4.1p) and a net final dividend of 3p makes a total of 4p compared with 3.75p previously.

The chairman, Mr. A. Westley says that prospects of further cost increases and of other problems continue to make the future uncertain, but subject to these factors, a satisfactory result is expected for the current year.

	1975-76 £	1974-75 £
Turnover	4,804,285	4,337,473
Profit before tax	252,083	230,061
Taxation	134,148	124,470
Net profit	117,935	105,591
Dividends	109,808	98,346
Interim divs. waived	16,127	—
Forward	211,806	203,932

BIDS AND DEALS

Clark & Fenn rejects THI and gets permission to pay 4p

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

Clark and Fenn (Holdings), the building products group, has rejected as "clearly inadequate" the £3.3m. offer from Trafalgar House Investments and has received Treasury permission for an increase in dividend payments to help fight the bid.

In unanimously rejecting the offer by Trafalgar House, which has acquired options on 28.6 per cent. of the Clark and Fenn shares, the Board says the bid undervalues the skills and reputation of the company, as well as its profitability and its capacity to offer an attractive income to its shareholders.

Trafalgar House is offering two shares for three Clark and Fenn, putting a current value on them of 62p. At the time of the bid, TH said that if the Clark and Fenn Board recommended the offer, an alternative cash consideration of 75p a share would be made.

Mr. Geoffrey Vandervell, chairman of Clark and Fenn, has told shareholders that pre-tax profits for the current year will not be less than the £1.27m. achieved in 1975, excluding losses of £468,000 incurred by the Swiss subsidiary C. Gartenmann and Cie, which has since been sold. This would give earnings of 12p a share for 1976.

On that basis and taking Trafalgar shares at the middle closing price on June 8 of 95p, the offer values Clark and Fenn shares on a price earnings multiple of 5.3, while the conditional cash alternative represents a multiple of 6.23. The FT actuaries share indices for the building materials and contracting and construction sectors on June 8 were 10.85 and 8.58 respectively.

The company has obtained Treasury approval to recommend a final dividend of 3p a share for 1975, which would make 4p for the year, against 2.04p net for 1974 and 2.217p net which had been paid or proposed for 1975 prior to the bid.

In addition, permission has also been given for the payment of dividends totalling 5p net per share for 1976, which would be more than twice covered by the forecast profits. The Board says, therefore, that continuing shareholders of Clark and Fenn would obtain an income rise of 80 per cent. for 1975 and of a further 25 per cent. for the current year. This, they add, compares with the 39 per cent. increase offered by Trafalgar's terms.

Turnover for Clark and Fenn last year was £13.12m. (£11.45m.) with group pre-tax profits of £802,000 (£977,000). U.K. profits reached £1.18m. (£930,000), although the overall group position was hit by the losses incurred in Switzerland. The share of profits recorded by Pregypan, the French associate, amounted to £90,000.

WEYBURN'S £0.9M. FOR GERMAN CAMSHAFT MAKER

Weyburn Engineering is to acquire Edwald Bartel, of Rellingen, Hamburg, a prominent independent West German manufacturer of diesel engine camshafts, in a near-£900,000 cash deal.

Bartel, which in future will be called Weyburn Bartel, had sales of DM12.75m. (£2.80m.) in 1975 to customers in West Germany, Scandinavia, France, Benelux and the United States. Pre-tax profits for 1975 were about DM1.2m. (£284,000).

Bartel operates from freehold premises at a site zoned for factory use, which allows for the present operations to be doubled.

It is at present working to full capacity and the rationalisation which will take place within the enlarged Weyburn group will enable output to be increased and customers better served. In addition to expanding sales in West Germany, Weyburn expects substantial and growing export sales to be achieved elsewhere in Europe.

The consideration payable by Weyburn will be a maximum of DM4m. (£897,000), the estimated net asset value. Following its recent right issue Weyburn has cash in hand of some £714,000.

Artagen replies to Sun Life

In a strongly worded attack on Sun Life Assurance Society, Mr. David Webb, chairman of Artagen Properties, yesterday described as "regrettable" and "offensive" views expressed by Mr. Philip Walker, chairman of Sun Life. The insurance company is bidding 84p cash per share for the property group.

Mr. Webb was responding to remarks made by Mr. Walker following Wednesday's annual meeting of Sun Life. Mr. Walker had said that an intention to bid for Artagen had always been part of Sun Life long-term policy after it had, in 1973, taken 25 per cent. of Artagen's equity and entered a £40m. funding arrangement.

Mr. Walker said he thought Artagen might have assumed this, though Sun Life had not referred to the matter at the time of the equity and funding agreement.

Yesterday's statement from Mr. Webb read:

"My colleagues and I have seen the report in to-day's "Financial Times" of certain remarks atributed to the Chairman of Sun Life after the Sun Life Annual General Meeting yesterday. These remarks clearly imply that an intention to bid for Artagen was present in the monds of Sun Life's representatives while negotiating with us in 1973 and that this was not disclosed to the Artagen Board. I can confirm that any such intention on the part of Sun Life was certainly not disclosed to me or my colleagues at the time, or until the bid was announced eight weeks ago. Indeed, such a concept was and remains totally contrary to the spirit of the Agreement.

My colleagues and I are shocked at the implication of this report which, if true, is all the more regrettable in view of Mr. Walker's previous unfounded imputations as to Artagen's bad faith in operating the Agreement since 1973. It is particularly offensive in view of the free and open way in which we have welcomed Sun Life's representatives to our Board beyond what is required by the Agreement."

Mr. Walker said yesterday that he did not wish to add to his remarks on Wednesday or to comment on Mr. Webb's response to them. He did not wish to make relations any more acrimonious than they were already.

Israel bank opens in Zurich

THE ISRAELI banking concern Bank Hapoalim BM has set up a Zurich subsidiary with the title Bank Hapoalim Schweiz AG, John Wicks writes. Permission to open this Swiss banking operation had been obtained from the Swiss banking commission after reciprocity had been guaranteed in the case of Swiss banks wanting to found an Israeli subsidiary. The new Zurich bank will work primarily in the foreign trade sector and in money-market transactions, providing further leverage in the the latter field of operations to engagements hitherto carried out through the London branch. Bank Hapoalim had already been present in Zurich with a representative office.

Better times for Deutsche Unilever

DEUTSCHE UNILEVER believes that turnover in 1976 will grow by a real 3 to 4 per cent., enabling profits and sales to approach the levels before recession-hit 1975, chairman Carl-Arend Weingardt told journalists.

Last year the company had a net profit of DM162m. (DM223m.). Reuter reports from Hamburg.

Japan Line

JAPAN LINE, which operates 283 ships (believed to be more than any other operater in the world), has countered Japanese press reports which speculated that financial problems have been responsible for the pending appointments of Mr. Toru Sahara, former Director General of the Maritime Safety Agency, as managing director, and Mr. Ryoichi Owada of the Japan Development Bank, as an executive director. There is a company tradition to have former government officials and a representative of the Bank on its Board, it told Peter Duminy, in Tokyo.

The company also says that it has no more than three VLCC's laid up, plus another two which are operating as "free tonnage" (that is without charters). It has taken delivery of one VLCC, World Dynasty, this month and three more are under construction.

San suspension

THE KUALA LUMPUR stock exchange told San Holdings Bhd that it will not consider lifting its suspension of the company's quotation until San fully recovers the M$11 it lost last year in an uncompleted land deal with Mosbert group subsidiary Raja Enterprises.

The M$11m. was paid as a deposit by San, but Raja subsequently failed to transfer ownership of the land because of a charge on it in favour of Moscow Narodny Bank.

Mosbert Bank went into provisional liquidation last December, Reuter reports.

Olivetti sales

OLIVETTI Spa. sales were L98.2m. in the first four months of 1976, up 5.9 per cent. from a year ago.

The company said that recent labour contract renewals will cost it an extra L9bn. this year in wage costs.

The Olivetti Board reappointed Bruno Visentini as president. He left the post in November 1974 to serve as Finance and Taxation Minister in two successive Governments. Reuter reports from Ivrea.

Brown Boveri shows decline in order book

BY JOHN WICKS — ZURICH June 10.

ORDERS received by the Brown Boveri engineering group in the first quarter were lower than the high level recorded in the corresponding 1975 period. President Franz Luterbacher told the annual general meeting. Luterbacher, who said that new orders for the year as a whole were expected to be rather below the 1975 figure of Sw.Fr.10.9bn., added that no major power-station orders had been placed this year so far.

Large and promising projects in the power-station sector were pending, Luterbacher stated, but it was uncertain whether the group would be successful here. There were considerable delays and postponements in the building of new power stations in numerous countries and the recent loss of the nuclear power station order from South Africa showed how contracts could be lost in the last minute for political reasons and despite excellent competitiveness.

The situation on the power-station market affects particularly the Swiss, German and French divisions of Brown Boveri. Luterbacher forecasts "certain employment worries" in the German group's operations in this sector during this year and said that employment gaps in the manufacture of large and medium-sized machine units would hardly be avoided in Switzerland in 1977. Over the longer term, however, a recovery is expected as recession fades and substitution of oil by electrical power starts to be realised, he added.

The employment situation of the German and French groups in the field of serial products has now stabilised after the fall in sales which began in 1974 and led to short-time working and manpower cuts, according to Luterbacher. Supplies of serial products to the capital goods industry are still affected considerably by recession and better business is not likely until next year, but on the whole the sector is seen as having passed its lowest point.

For the parent company, he forecast profits of about the same level as the Sw.Fr.35.1m. booked for last year, unless there are some unforeseen developments.

International bond launch by Dirham

BY MARY CAMPBELL

THE FIRST-EVER international bond issue to be denominated in the United Arab Emirates' Dirham was launched yesterday. It is Dirham100m. for Cie Nationale Algerienne de Navigation under guarantee of the Banque Extérieure d'Algérie.

The terms include a ten-year maturity, with a bondholders' option to redeem after five years. Coupon will be 9 per cent. while pricing is expected to be at par. The lead manager is BAII (Middle East), the Bahrein-based subsidiary of the Paris-based consortium bank Banque Arabe et Internationale d'Investissement.

Most of the placement is expected to be in the Middle East—the two co-managers are both based in Abu Dhabi. But although the terms of the issue do not officially include provision for payments to be made in the dollar equivalent of UAE Dirham it is understood that insofar as non-Arab investors are interested in subscribing to the issue, physical conversion into the Dirham is not required.

Although this is the first public issue to be denominated in this currency, it has been used for private placements. For the present, however, its usage is expected to be limited to Middle Eastern borrowers.

Also announced yesterday was a $50m. floating rate note issue for Crédit Commercial de France. The seven-year notes offer a spread of a quarter of a point over inter-bank rates with a minimum of 7 per cent. Lead manager is Crédit Suisse White Weld. These terms compare with the same quarter-point spread and 7 per cent. minimum for Creditanstalt Bankverein's $40m. five-year issue.

The coupon on the Renault Acceptances' $25m. five-year issue has been raised from an indicated 8¼ per cent. to 8½ per cent. The issue has been priced at par.

Swedish insurance merger

BY OUR OWN CORRESPONDENT — STOCKHOLM, June 10.

TRYGG-HANSA, one of the three large Swedish insurance companies, is taking over Trafik-Bore, which specialises in car insurance and is sixth in the ranking list. Both companies are mutual societies. The merger will leave Trygg-Hansa with 24 per cent. of the Swedish insurance market and 28 per cent. of the car insurance business. The two companies' combined premium income in 1975 was Kr.2.15bn. (£270m.).

Trafik-Bore's managing-director Sven Dereman says the merger was occasioned by the difficulties experienced by a small company, specialising in one area, in meeting sharp annual fluctuations in business. His company had a loss of Kr.20m. (£2.5m.) last year and anticipated a similar loss this year.

Trygg-Hansa earned Kr.262m. (£33m.) on its life assurance last year but took a Kr.25m. loss on its other insurance operations. It has since increased its premiums for household and car insurance.

Between them Trygg-Hansa, Skandia, the private insurance group, and Folksam, the co-operative insurance company, will control some 80 per cent. of the Swedish market after the merger. Earlier this year Prime Minister Olof Palme warned that the Government would stop too great a concentration of the insurance business, but the insurance inspectorate has approved the new merger.

EUROPEAN RETAILING

Karstadt holds its dividend

BY GUY HAWTIN — FRANKFURT, June 10.

KARSTADT, West Germany's largest store group, is expecting a 6 per cent. increase in turnover this year. Shareholders can look foreward with certainty to another 20 per cent. dividend payout, even if earnings do not entirely equal last year's.

This is encouraging news, given that earnings during the opening months of the year have been somewhat under those of 1975. "If we reach the same earnings level as in 1975 we shall be very lucky," said Dr. Walter Deuss, a member of Karstadt's Executive Board.

Earnings this year are to a degree on the concern's rationalisation and cost savings measures. Included in this area are further economies in the employment of personnel.

Turnover in the first five months of the year has advanced by only about 1.7 per cent. to DM2.99bn. (£644m.). At the same time prices have risen by 2.5 per cent. After adjustments for increased sales space, turnover growth totalled only 1 per cent.

Therefore the upswing has yet to be felt by the Karstadt group, although increased demand in the motor sector, for instance, encourages the group to believe that an improvement cannot be far away. (One factor that has affected Karstadt's initial figures is the decline in tourism which has accompanied the recession.) In contrast with the 1975 boom year, the group's travel business has reported a 3 per cent. decline in turnover during the first five months to DM77m. Bookings have been 8.1 per cent. down to 88,800 holidays.

During the recessionary 1975, Karstadt's turnover, including new sales space, went up by 8 per cent to DM6.64bn. The growth rate was somewhat lower than its rivals Horten, which put on 10 per cent., and Kaufhof which reported a 9.1 per cent. sales growth. This, however, was largely attributable to last year's relatively low 2.1 per cent. increase in sales space.

KF investing to increase its share of Swedish retailing

BY WILLIAM DULLFORCE — STOCKHOLM, June 10.

KF, the Swedish co-operative association, is to invest Kr.800m. (£100m.) a year over the next five years in an effort to increase its share of the retail market from 20 to 25 per cent. This will be one of the most expansive periods in the history of the Swedish co-operative movement, managing-director Karl Erik Persson told the annual general meeting yesterday.

The local associations will invest some Kr.300m. annually in buildings and inventories, while the central organisation will spend Kr.500m. a year to expand its production and marketing base. About 40 new shops and food stores will be opened each year and 18 furniture and building material stores are to be set up during the period, eventually to sell home products and do-it-yourself equipment worth Kr.1bn. (£125m.) a year.

Mr. Persson stressed the need to improve KF's earnings, which tumbled from Kr. 260m. in 1974 to Kr.52m. (£6.5m.) on a Kr.10.8bn (£1.35bn.) turnover last year. If the investment programme was to be carried out without a further deterioration in the current equity/debt ratio of 32.5 per cent.

The first quarter this year produced pre-tax earnings of Kr.18m. which is the same as for the corresponding period last year, but better than budgeted. Overall sales rose by 12 per cent., again beating the budget, while the Retail Associations' sales for the first four months were 17.5 per cent. higher than during the January-April period last year.

KF's industrial operations showed a first quarter sales growth of only 5 per cent. but the forest-based company had a 40 per cent. increase in March. The food sector companies beat the budgeted turnover and Mr. Persson forecast an improved profit for 1976 as a whole.

Potin bids for major French food role

BY RUPERT CORNWELL — PARIS, June 10.

IN A MOVE which will almost certainly lead to an important re-organisation of the French food and retailing sectors, the Felix Potin-Primisteres retailing chain has taken a 29 per cent. interest in the Genvrain chain and its High Street offshoot La Parisienne.

It is also very probable that Potin will follow this up by acquiring a further 17 per cent. of Genvrain's stock now held by the state-backed co-operative bank Credit Agricole, and thus lift its stake to a virtual majority.

The 29 per cent. of Genvrain involves the 198,000 shares that were hitherto held by Source Perrier. In taking up its option to purchase at Frs.192 per share. Potin has provided a welcome infusion of Frs.40m. of fresh funds to the mineral water company, which in recent months has experienced cash-flow problems.

Thus will be almost completed the nine months' negotiation to dismantle Genvrain. Agreements in principle have already been reached for the disposal of its important dairy interests to the cheese manufacturer Bongrain-Gerard.

However, the transaction will also make Potin one of the major forces on the Paris food retailing scene. The 500 stores of La Parisienne will lift its total of outlets in the capital to just over 1,600, and its annual turnover to around Frs.3bn. (£340m.).

AUSTRALIAN TAKEOVERS

One battle after another

BY JAMES FORTH — SYDNEY, June 10.

J. FIELDING, the container maker and investment group, has rejected a $A19.6m cash offer from a consortium led by Aquila Steel as "totally inadequate." At the same time the major paper group, Australian Paper Manufacturers, a long-standing shareholder in J. Fielding, has been buying shares in the market. APM has held about 3 per cent. of Fielding's capital in its own name for several years but apparently held some more through nominees. It now admits to more than 10 per cent. of Fielding's capital, which means the Aquila group now cannot compulsorily acquire all of Fielding's capital.

APM says that it is buying Fielding shares not to thwart Aquila, but as an investment. Fielding is one of APM's largest customers. A counter bid from APM does not appear likely because it would probably run into difficulties with the Trade Practices Commission.

Three reasons

Fielding gave three reasons for rejecting the Aquila approach. The directors said the current market price was above the $A4.75 a share bid (Fielding shares fell 24 cents today to $A4.76), Fielding shares were worth substantially more than the offer, and they believed Aquila intended selling off the company's large share portfolio. The Directors said that if this happened the benefits should flow to Fielding shareholders.

Indicating that it may have something further up its sleeve, Fielding said that together with the company's advisers, merchant bank, Capel Court Corporation, it had been "formulating proposals" which, it believed, would be in the best interests of Fielding shareholders. Full reasons for rejecting the offer will be sent to shareholders when the offer is formally made.

Apart from its container operations, Fielding has a large investment portfolio, which had a market value of $A8.8m. at June 30, 1975, and is known to include stocks such as Broken Hill Proprietary and APM. Dividends and investment income totalled $A725,000 in 1974-75 compared with earnings of $A682,000 from manufacturing operations.

Meanwhile Adelaide Steamship has won its takeover battle for Via, with its latest opponent, A. V. Wehl, withdrawing from the fray. But the struggle between Vulcan Industries and National Consolidated to acquire the Braemar Appliances division of Davleco Braemar has intensified with a bid by Vulcan for the total capital of Davleco Braemar.

Adelaide Steamship was originally opposed in its bid for the timber group Via by the Edward A. Green Charitable Foundation which withdrew when A. V. Wehl made a counter offer. The Foundation sold its 28 per cent. stake in Via to Wehl.

Before Wehl withdrew it had built its holding up to 41 per cent. through market purchases. Wehl was paying up to $A1.60 on the market compared with Adelaide Steamship's formal price of $A1.45.

In the Davleco Braemar tussle, Vulcan's bid is aimed at preventing National from obtaining the company's Braemar appliance division. National had already signed a contract to buy the division before Vulcan entered the bidding, and had in fact made a down payment of $A460,000.

A meeting of Davleco Braemar shareholders, which was due to meet to consider whether to ratify the sale, has been deferred; the Vulcan offer was conditional on this. Vulcan already holds a 28.8 per cent. stake in Davleco purchased recently in an apparent attempt to block approval of the National deal. Vulcan paid $A1.10 a share for the initial stake and is offering $A1.50 a share for the remainder.

Down payment

National has pointed out that its down payment plus additional funds advanced would become immediately repayable if its deal is rejected, but Vulcan announced that it would "take whatever steps are prudent" to help Braemar through any financial crisis" should any action by National cause a financial embarrassment to the company."

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	104	105
Ashland 8pc 1987	95½	96
Australasia 8½pc 1987	97½	98½
BFCE 8½pc 1987	99	100
CNE 9½pc 1985	100	101
Conoco 8pc 1986	98½	99½
ECS 9½pc 1986	100½	101½
EIB 9¼pc 1985	101½	102½
ERAP 9½pc 1985	101½	102½
Esso 8pc 1986 Nov.	100½	101½
Eurofima 8½pc 1987	98½	100½
Grangess 9½pc 1985	101	102
Massey 9½pc 1982	103	104
Michelin 9½pc 1986	99½	100½
MODO 9½pc 1985	99½	100½
Nwfdlnd. Labrador 9½pc '86	102½	103½
New Zealand 9½pc 1982	102½	103½
Norpipe 9½pc 1986	99½	100½
Norsk Hydro 9½pc 1986	101	101½
Oslo 9pc 1988	99½	100½
Pacific Light 9pc 1985	93½	94½
Prov. Quebec 9pc 1984	100½	101½
Scanraff 8½pc 1988	99½	100½
SFE 9pc 1983	100½	101
Shell 8pc 1986	98½	99½
Stand. Oil (Ind.) 8½pc '88	103	104
Svenska Handels 9½pc 1986	100½	101½
Volvo 9½pc 1985	101½	102½
NOTES		
Barclays 9½pc 1982	101½	102½
British Gas 9pc 1981	99½	100½
Charb. France 8½pc 1981	98½	99½
Denmark Mt. Bk. 9pc 1983	100	101
ECS 8½pc 1981	100½	101½
EEC 8½pc 1982	97	97½
Electricity Council 8½pc '81	99	100
Montreal 9½pc 1983	101½	102½
Nippon Steel 9½pc 1980	101½	102½
Norway 8½pc 1981	101	101½
Prov. Quebec 9½pc 1981	100½	101½
Seagram 9pc 1985	101½	102½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	80
Ashland 5pc 1988	92½	94½
Beatrice Foods 4½pc 1992	94	96
Beatrice Foods 4⅞pc 1992	107	109
Borden 5pc 1992	95	97
Broadway Hale 4½pc 1987	74½	76½
Canon Camera 7pc 1989	114½	116
Carnation 4pc 1987	76½	78½
Chevron 5pc 1988	114	116
Dart 4¾pc 1987	75½	77½
Eastman Kodak 4½pc 1988	111½	113½
Economic Labs. 4½pc 1987	76½	78½
Fed. Dept. Stores 4½pc '85	105	107
Firestone 5pc 1988	86½	88½
Ford 6pc 1986	97	99
Ford 5pc 1988	85	87
General Electric 4¼pc 1987	82½	84½
Gillette 4¾pc 1987	74½	76½
Gould 5pc 1987	91	93
Gulf and Western 5pc 1988	97½	99½
Harris 5pc 1992	85	87
Honeywell 6pc 1986	81	83
ITT 4½pc 1987	72½	74½
Komatsu 7½pc 1990	103	105½
J. Ray McDermott 4¾pc '87	147	149
Mitsubishi Elec. 7½pc 1991	105½	107
Mitsui 7½pc 1990	100	101½
J. P. Morgan 4½pc 1987	113½	115½
Nabisco 5½pc 1988	91½	93½
Owens Illinois 4½pc 1987	101½	103½
J. C. Penney 4¼pc 1987	78½	80½
Pioneer 6pc 1988	290	295
Revlon 4¼pc 1987	96	98
Reynolds Metals 5pc 1988	85	87
Sperry Rand 4¾pc 1987	94½	96½
Squibb 4¾pc 1987	74½	75½
Texaco 4¾pc 1988	75½	77½
Toshiba 6½pc 1990	111	113
Union Carbide 4½pc 1982	119	121
Warner Lambert 4½pc 1987	81	83
Warner Lambert 4½pc 1988	79½	81½
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

KLM manages to cut back its losses

BY MICHAEL VAN OS — AMSTERDAM, June 10.

AS EXPECTED, KLM Royal Dutch Airlines, managed to reduce its loss in the financial year 1975-76. It's losses amounted to Fls.18.6m. compared with Fls. 65.4m. the year before and the loss per share was Fls.5.99 (Fls.21.05).

The company, in which the Dutch State has an interest of about 75 per cent., said in a short statement ahead of the annual report that a return to profits had not yet been possible, due to stagnation in transport growth, cost increases and the adverse effects of currency changes.

KLM said in Amstelveen that operating revenues had risen 9 per cent. to Fls.2.31bn., while operating expenses, including depreciation, increased 6 per cent., leaving an operating loss of only Fls.0.6m. (loss in 1974-75 Fls. 57.9m.)

The balance of other income and deductions showed a loss of Fls.18m., which was substantially higher than the loss the year before (Fls.7.5m.). Broken down, the balance of interest showed a loss of Fls.4.6m. compared with Fls.6m. the year before, the profit on the sale of flying equipment was Fls.0.2m. (Fls.6.6m.), while the balance of "other entries" showed a loss of Fls.13.6m. against a Fls.8m. loss the year before.

The statement added that the increase in revenue of 9 per cent. reflected the impact of tariff increases. The cost increase was restricted to 6 per cent. with a production increase recorded of 3 per cent., so that a balance between operating income and costs was nearly achieved. KLM pointed out that the Fls.18m. loss was attributable to losses on investments and certain incidental losses.

KLM, which is generally expected to show a major recovery again for the current year, recorded an operating profit of Fls.56.2m. in the first months of the year, compared with a Fls.0.4m. loss the corresponding period a year earlier.

HAL in search of new investment area

BY MICHAEL VAN OS — AMSTERDAM, June 10.

HOLLAND AMERICA Line (HAL) expects to have around Fls.250m. (about £50m.) available in the five years from 1977 for investments in "new activities," it was announced after the annual meeting in Rotterdam.

For this purpose, another division was being set up alongside Tourism (mainly cruising), Trading and Special Transport which would primarily concentrate its activities in the traditional HAL markets,—the U.S. and here in Holland.

A spokesman said in Rotterdam that the money was coming from proceeds from the sale of the HAL transport division to the Swedish Brostroem group (around Fls.112m. plus interest), and the expected benefits to corporate cash flow.

HAL remains tight-lipped for the time being about the areas of activity the company is investigating. The Director in charge of new participations is Mr. Jan E. W. Van Panbuys, who joined HAL on April 1, 1976, from the Dutch bank Mees En Hope (now ABN) where he was in charge of corporate developments.

HAL did say the company was seeking to achieve a balanced spread of capital, risks and profit capacity over its various divisions in the longer term. As it had already stated in its annual report, HAL was now concentrating on expanding well running activities, re-organising those which were less profitable and on further diversification.

The company repeated at the Rotterdam annual meeting that a "modest" profit was expected in the current year, a profit last recorded in 1972. Although HAL would not commit itself over a possible resumption of dividend payments this year, it said at the meeting that its immediate aim was to resume such payments as soon as possible.

HAL's turnover amounted to Fls.431.5m. in 1975, compared with Fls.346.4m. the year before. It reported a Fls.3.4m. net loss last year.

German ICI sees demand surge

BY OUR OWN CORRESPONDENT — FRANKFURT, June 10.

THE SURGE in demand reported by the West German chemicals industry during the final quarter of 1975 and the opening three months of the current year appears largely attributable to the rebuilding of stocks run down in the recession. Evidence for this conclusion is contained in the latest report from Deutsche ICI, subsidiary of the British chemicals major.

Professor Peter Schmitt, chief executive of the concern, said an upturn in demand had been first noticed in the final quarter of 1975. Demand in the first three months of the current year had been about 20 per cent. above the level recorded during the same period of 1975, but appeared to have flattened off during the second quarter of the year.

While the 20 per cent. improvement was comforting, he said, it should be viewed from the extremely low level to which demand had fallen in the opening months of 1975. The pick-up appeared to be due to the rebuilding of stocks run down during the recession.

While the build-up had flattened out during the second quarter, there were grounds for believing that the re-building of run-down stocks had not yet been completed. Turnover was expected to return to the same level this year as in 1974—some DM900m.

The deepest point of the downturn came in the third quarter of 1975 when turnover totalled DM170m.—the same level as that recoded in the same pre-oil crisis period of 1973. Naturally price levels were far below the 1974 levels.

NORTH SEA OIL REVIEW

BY RAY DAFTER

The passive partner stirs

OIL LICENSING ROUND BY ROUND

Round	Area under offer	No. of blocks	No. of applications	No. of companies	No. of blocks applied for	Licences: No. awarded	Licences: No. of companies	Licences: No. of blocks
First (1964)	North Sea	960	31	61	394	53	51	348
Second (1965)	North Sea, Irish Sea, English Channel	1102	21	54	127	37	44	127
Third (1970)	North Sea, Irish Sea, Orkney/Shetland Basin	157	34	54	117	37	61	106
Fourth (1971/1972)	North Sea, Irish Sea, Celtic Sea, Orkney/Shetland Basin	421 for Discretionary award; 15 for tender bid	92 / 31	228 / 73	271 / 15	118	213	282

Source: Dept. of Energy

E U.K. Offshore Oil Operators Association will begin negotiating with the Government next week the terms of the fifth round of offshore licences. It could be quite a lengthy dialogue, for though oil companies have given a qualified welcome to the broad outline of the terms, they have misgivings about a number of specific proposals.

It has been difficult for companies to disguise their feelings of surprise about one particular aspect of this latest round of licences. They had expected that British National Oil Corporation would merely be a passive partner in the initial stages of the new concessions; they expected that the State undertaking would pay its share of all of the exploration work, as is now proposed.

On the whole, this is a welcome surprise to the oil industry. BNOC's commitment relieves some of the pressure for capital. But one senior executive was moved to comment: "As a taxpayer, I am hopping mad. Why should the BNOC pay for something the industry would have been prepared to finance."

Certainly, oil companies expected to foot the bill for all exploration work and to carry the State Corporation through the development stage. No doubt, this practice would have been favoured by the Treasury. On the other hand, BNOC, supported by the Energy Secretary, Mr. Anthony Wedgwood Benn, felt that if the State was to build up expertise and a presence in the North Sea, it ought to share some of the risks. In addition, it is a way of putting pressure on oil companies to carry out early exploration drilling at a time when the search for oil is beginning to wain.

The fifth round is much smaller than the previous allocations, setting a new pattern for more frequent if modest reviews of offshore exploration work. As such, between 50 and 60 blocks are to be offered to the oil industry later this year. The Department of Energy believes that on a 60-well programme (say, one per block) BNOC will be investing between £50m. and £60m. That implies one or two possible conclusions; either the new concessions will be in shallow waters where drilling costs are below average for the North Sea, or the Department has underestimated BNOC's likely share of expenditure. The first alternative is unlikely. Mr. Wedgwood Benn has indicated that the new licences will be well spread out.

Consequently, it is likely that the fifth round will feature concessions in the Moray Firth, the area which will attract most interest, particularly if it includes unallocated blocks in quadrant 14 which lie to the west of the Claymore, Piper, and Tartan fields. The northern extremities of the East Shetland basin, blocks to the west of Shetlands, and concessions in the Celtic Sea, Irish Sea, and the Western Approaches may also go into the fifth round. Of these, only the Celtic and Irish Seas have reasonably shallow drilling conditions.

So it seems that the Department has underestimated BNOC's possible commitment. With exploration wells now costing £2m. to £3m. each on average, the Corporation looks like having to invest at least £100m.

There are three options open to BNOC once a field is declared commercial. It can continue to play its role as a full-risk partner, paying its share of development costs. Or it can opt out of the development and relinquish its entitlement to any oil or gas found. If this happened the Department would not be entitled to vote in any matters relating to the development, although it would continue to attend all meetings (an irritant, from the oil industry's point of view, but not an unexpected one). Alternatively, BNOC has the right to be a passive partner in the development phase.

The consultative document states: "If BNOC's share of expenditure is not to be paid at the time it is incurred, interest shall be chargeable to the Corporation, at a commercial rate until payment is made." Oil companies will not be too eager to finance a State undertaking at commercial bank rates (if that is what is meant) which take no account of the risks involved.

Another recommendation in the document that is likely to be strongly opposed is the stricter time limits covering the relinquishment of licences. At present the industry has to hand back to the Government at least half of the licence areas after six years. Under the fifth round terms licences will be awarded for an initial period of four years after which companies will have to surrender not less than one-third of the acreage. After a further three years, another third must be surrendered.

The tougher terms reflect another attempt to stimulate early exploration activity. Oil companies argue that the terms should have been made easier if anything. They point out that the relatively small number of widely-spread concessions in the fifth round must mean a high percentage of single blocks, partial blocks, and small relinquished areas being put up for offer.

Companies will not be particularly enthusiastic about carrying out comprehensive exploration programmes on these small concessions if there is a strong likelihood that they will have to hand back to the Government areas containing proven oil reserves. Consequently, I should not be surprised if the industry, through the Offshore Oil Operators Association, pressed for an amendment to the proposed rules which would remove the fear of having to surrender proven acreage.

The Government hopes that the terms of the fifth round can be discussed and agreed upon within the next couple of months. This would allow the licence areas to be advertised in the autumn and awarded around the turn of the year. For a number of reasons this timetable appears to be extremely tight. The dialogue between the industry and the Energy Department might well take longer than expected. Besides, there is considerable scepticism in the ability of BNOC to fulfil all its commitments.

Oil companies in any case would also like to hear more about the Government's depletion and refinery policies before committing themselves to further North Sea involvement. Further information on these and other issues which are still causing uncertainties in offshore work could come from the U.K. Energy Conference later this month.

But whatever happens, it seems unlikely that a great deal of fifth round exploration will be undertaken next year. With exploration work still to be carried out under the fourth round allocations and detailed seismic work needed on the new acreage, it will be 1978 or even 1979 before the full impact of this latest round is felt by the offshore industries.

First half rise at ACE Machinery

For the 28 weeks ended April 1976, A. C. E. Machinery (Holdings) reports pre-tax profits from £165,000 to £222,000 on turnover of £1.58m. against £1.32m. In the year ended September 1975, pre-tax profits were £412,000 from turnover of £2.67m.

The chairman, Mr. H. V. Gort says the order book is "very healthy." Orders received during the 28 weeks amounted to £2.12m. against £1.07m. in the same period last year.

Contracts for the subsidiary, William Jones (Chemical Engineers) have increased impressively and the same applies to export activities.

Tax charge for 28 weeks is £115,000 (£85,000) leaving net profits at £107,000 against £80,000.

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LAZARD PROPERTY

Lazard Property Unit Trust is making a 17th issue of units, to close on June 25, 1976, at a price of £1.230 per unit. The estimated initial yield, allowing for the £12m. currently invested in short-term deposits, is expected to be about 6.5 per cent. at the subscription price.

Based on current rental values, it is estimated that the income from the properties which are completed and let will rise over the next 10 years from £2.4m. to £4.0m. In addition, there will be a substantial flow of rental income from the development properties which are due for completion later this year. The trust, which was formed in 1967, is designed for Pension Funds and Charities.

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, June 9. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of June 10 at 11.00 a.m.
3 months: 6¼ 6 months: 6¾

SDR1=$US1.14605

Country	Currency	Value of DLR
ars & Issas...	Djibouti Franc	137.7098
hanistan ...	Afghani (o)	45.30
bania ...	Lek (m)	5.60
geria ...	Dinar (a)	4.1803
dorra ...	Fr. Franc	4.7323
	Sp. Peseta	67.91
gola ...	Ang. Escudo	30.90
tigua ...	E. Caribbean $	2.7046
gentina ...	Ar. Peso (o)(†)	140.17
stralia ...	Australian $	0.8127
stria ...	Schilling	18.34
orca ...	Port. Escudo	30.90
hamas ...	Ba $	1.00
ngladesh ...	Taka	15.8535
hrain ...	Dinar	0.3958
learic Is. ...	Sp. Peseta	67.91
rbados ...	Barbados $	2.0025
lgium ...	B. Franc (m)	39.515
lize ...	B $	2.2538
nin ...	C.F.A. Franc	236.61
rmuda ...	Bda. $	1.00
utan ...	Indian Rupee	9.0253
livia ...	Bolivian Peso	20.20
tswana ...	S.A. Rand	0.8695
azil ...	Cruzeiro	10.625
. Solmn. Is. ...	Australian $	0.8127
. Virgin Is. ...	U.S. $	1.00
unei ...	Brunei $	2.4740
lgaria ...	Lev	0.96
rma ...	Kyat	6.7051
rundi ...	Burundi Franc	78.50
mbodia ...	Riel	n.a.
meroun Rp.	C.F.A. Franc	236.61
nada ...	Canadian $	0.9735
nary Is. ...	Sp. Peseta	67.91
pe Verde Is.	Cape V. Escudo	30.90
yman Is. ...	Cay. Is. $	0.8350
n. Af. Rp. ...	C.F.A. Franc	236.61
ad ...	C.F.A. Franc	236.61
ile ...	Ch. Peso (m)	13.39
ina ...	Renminbi Yuan	1.9861
lombia ...	Col. Peso (m)	34.655
moros I'ds. ...	C.F.A. Franc	236.61
ngo (B'lle) ...	C.F.A. Franc	236.61
sta Rica ...	Colon	8.57
ba ...	Cuban Peso	0.8288
prus ...	Cyprus £	0.4104
echoslovakia	Koruna (m)	5.59
nmark ...	Danish Krone	6.0973
minica ...	E. Caribbean $	2.7046
min. Rep. ...	Domin'en Peso	1.00
uador ...	Sucre (o)	25.00
ypt ...	Egyptian £ (o)	[illegible]
hiopia ...	Ethiopian $	2.0855
'l Guinea ...	Peseta	67.91
lkland Is. ...	Falkland Is. £*	1.7748
ro Is. ...	Danish Krone	6.0973
i Is. ...	Fiji $	0.8994
nland ...	Markka	3.9059
ance ...	French Franc	4.7323
. C'ty in Af.	C.F.A. Franc	236.61
. Guiana ...	Local Franc	4.7323
. Pac. Is. ...	C.F.P. Franc	85.65
bon ...	C.F.A. Franc	236.61
mbia ...	Dalasi	2.2538
rmany (E) ...	Ostmark (m)	2.3655
rmany (W) ...	Deutschemark	2.5655
ana ...	Cedi	1.1538
braltar ...	Gibraltar £*	1.7748
lbert & Ellice Is.	Aust. $	0.8127
eece ...	Drachma	35.641
eenland ...	Danish Krone	6.0973

Country	Currency	Value of DLR
Grenada ...	E. Caribbean $	2.7046
Guadaloupe ...	Local Franc	4.7323
Guam ...	U.S. $	1.00
Guatemala ...	Quetzal	1.00
Guinea Rep. ...	Sily	21.09
Guinea Bissau ...	Peso	30.90
Guyana ...	Guyanese $	2.4365
Haiti ...	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong ...	H.K. $	4.9210
Hungary ...	Forint (m)	20.65
Iceland ...	I. Krona	183.80
India ...	Ind. Rupee	9.0253
Indonesia ...	Rupiah	415.0
Iran ...	Rial	70.05
Iraq ...	Iraq Dinar	0.2961
Irish Rep. ...	Irish £*	1.7748
Israel ...	Israeli £	7.82
Italy ...	Lira	835.30
Ivory Coast ...	C.F.A. Franc	236.61
Jamaica ...	Jamaica $	0.9091
Japan ...	Yen	299.80
Jordan ...	Jdn. Dinar	0.3302
Kenya ...	Ken. Shilling	8.4537
Korea (Nth.) ...	Won (a)	0.94
Korea (Sth.) ...	Won	484.0
Kuwait ...	Kuwait Dinar	0.2941
Laos ...	Kip (o)	1500.0
Lebanon ...	Lebanese £	2.9775
Lesotho ...	S. African Rand	0.8695
Liberia ...	Liberian $	1.00
Libya ...	Libyan Dinar	0.2961
Liechtenst'n ...	Swiss Franc	2.5075
Luxembourg ...	Lux. Franc (m)	39.515
Macao ...	Pataca	7.1742
Madeira ...	Port. Escudo	30.90
Malagasy Rp. ...	MG Franc	236.61
Malawi ...	Kwacha	0.8933
Malaysia ...	Malaysian $	2.5078
Maldive Is. ...	Mal. Rupee	5.6295
Mali Rp. ...	Mali Franc	473.23
Malta ...	Maltese £*	0.4215
Martinique ...	Local Franc	4.7323
Mauritania ...	Ouguiya	47.32
Mauritius ...	M. Rupee	6.7753
Mexico ...	Mexican Peso	12.4906
Miquelon ...	C.F.A. Franc	236.61
Monaco ...	French Franc	4.7323
Mongolia ...	Tugrik (m)	3.3555
Monsarrat ...	E. Caribbean $	2.7046
Morocco ...	Dirham	4.4410
Mozambique ...	Moz. Escudo	30.90
Nauru Is. ...	Aust. $	0.8127
Nepal ...	Nepalese Rupee	12.525
Netherlands ...	Guilder	2.7260
Neth. Ant'les ...	Antillian Guild	1.80
New Hebrides	Aust. $	0.8127
	Fr. Franc	4.7323
N. Zealand ...	NZ $	1.0126
Nicaragua ...	Cordoba	7.02625
Niger Rp. ...	C.F.A. Franc	236.61
Nigeria ...	Naira	0.6350
Norway ...	Nrwg. Krone	5.5098
Oman, Sultanate of	Rial Omani	0.3454
Pakistan ...	Pkst. Rupee	9.9943
Panama ...	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua N.G. ...	Kina	0.8127

Country	Currency	Value of DLR
Paraguay ...	Guarani (m)	126.0
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru ...	Sol	45.0
Philippines ...	Ph. Peso	7.3965
Pitcairn Is. ...	NZ $	1.0126
Poland ...	Zloty (m) (o)	3.32
Portugal ...	Port. Escudo	[illegible]
Port Timor ...	Timor Escudo	30.90
Principe Isle ...	Port. Escudo	30.90
Puerto Rico ...	U.S. $	1.00
Qatar ...	Qatar Ryal	3.9368
Reunion Ile de la	French Franc	4.7323
Rhodesia ...	Rhd. £	0.617
Romania ...	Leu	4.97
Rwanda ...	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.7046
St. Helena ...	£ Sterling*	1.7745
St. Lucia ...	E. Caribbean $	2.7046
St. Pierre ...	C.F.A. Franc	236.61
St. Vincent ...	E. Caribbean $	2.7046
Salvador, El ...	Colon	2.50
Samoa (Am.) ...	U.S. $	1.00
San Marino ...	Italian Lira	835.50
Sao Tome ...	Port. Escudo	30.90
Saudi Arabia ...	Ryal	3.5350
Senegal ...	C.F.A. Franc	236.61
Seychelles ...	S. Rupee	7.5109
Sierra Leone ...	Leone	1.1269
Singapore ...	Singapore $	2.4735
Somali Rep. ...	Som. Shilling	6.2950
Sth. Africa ...	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain ...	Peseta	67.91
Span. Ports in N. Africa	Sp. Peseta	67.91
Sri Lanka ...	S.L. Rupee	8.6293
Sudan Rp. ...	Sudan £	0.3482
Surinam ...	S. Guilder	1.80
Swaziland ...	Emalangeni	0.8695
Sweden ...	S. Krona	4.4369
Switzerland ...	Swiss Franc	2.5075
Syria ...	Syria £	3.6750
Taiwan ...	New Taiwan $	37.97
Tanzania ...	Tan. Shilling	8.4537
Thailand ...	Baht	20.40
Togo Rp. ...	C.F.A. Franc	236.61
Tonga Is. ...	Pa'anga	0.7805
Trinidad ...	Trin. & To'go $	2.40
Tunisia ...	Tunisian Dinar	0.4338
Turkey ...	Turkish Lira	16.00
Turks & C's ...	U.S. $	1.00
Uganda ...	Ug. Shilling	8.4537
Utd. Kingdom	£ Sterling*	1.7745
Un'd A'b Emir	UAE Dirham	3.9625
USSR ...	Rouble	[illegible]
Upper Volta ...	C.F.A. Franc	236.61
Uruguay ...	Urug. Peso (m)	3.165
Vatican ...	Italian Lira	835.50
Venezuela ...	Bolivar (m)	4.29
Vietnam (N) ...	Dong (m) (o)	2.9450
Vietnam (S) ...	Piastre (o)	1.65
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.6066
Yemen ...	Ryal	4.54
Yugoslavia ...	New Y. Dinar	19.24
Zaire Rp. ...	Zaire	0.8733
Zambia ...	Kwacha	0.6435

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (o) Official rate. * U.S. dollars per sterling unit. † Argentine peso: effective March 5, 1976. Exchange rate system merged, now only two rates, official rate and tourist rate.

For further information please contact your local branch of the Bank of America.

Reports to meetings

Cadbury Schweppes sees profit rise

THE CHAIRMAN of Cadbury Schweppes, Mr. Adrian Cadbury, told the annual meeting yesterday that the group was "on course and the first half year's results should be ahead of those of 1975."

"I said in my statement," Mr. Cadbury continued, "that we had set management targets for 1976 which represented a real increase over the 1975 figures and we stand by those aims, although their achievement has become more difficult with the deterioration in the general economic situation."

The chairman added that it was not feasible to give any more precise indication of the likely outcome of the whole year partly because of the continuing dependence for around two-thirds of profit on the second half of the year and partly because it was affected by factors outside the company's control and more than usually difficult to assess.

Big advance for Laporte

The chairman of Laporte Industries (Holdings), Mr. R. M. Ringwald, told yesterday's annual meeting that 1976 had started in an encouraging way and "we believe we shall produce results this year which will be far better than those achieved last year."

The company's peroxygen interests, owned jointly with Solvay through Interox, are now making "substantial progress" in almost every market. Titanium dioxide sales in export markets have, in the first quarter of the year, been good and the price for this product is firm, the chairman added. Phthalic anhydride and many other products have also seen a resurgence of activity abroad.

Mr. Ringwald pointed out that, except for a very few cases, almost all the sustained increases in sales volume had been outside the U.K. "In the U.K., volume has recovered from the low point at the beginning of 1975 when customers were destocking, but so far there has been no significant growth."

The chairman also referred to three important developments in the company since the beginning of the year. Those were the extension of facilities for the disposal of waste materials from the company's fluorspar operations in Derbyshire; the acquisition of a 40 per cent. stake in Bentonit Uniao of Brazil and the formation of Propylox SA, through Interox and Carbochimique SA, in Belgium which could have "a considerable impact on our peroxygen business".

Other reports were made at annual meetings yesterday as follows:

B.S.G. International—Mr. H. G. Cressman referred to Press reports in last few days that the motor industry was enjoying sales considerably above those earlier forecast. Being closely associated as component manufacturers and dealers this was an encouraging indicator, he said. Last year 30 per cent. of group profit came from abroad. In future he would like to see group earn half of its profits overseas.

Dutton-Forshaw Group—Mr. R. Hopkin stated that the results for the group as a whole for this year to date were most encouraging, and well ahead of last year.

James Neill Holdings—Mr. J. H. Neill said that the group was now back on full production with limited recruitment taking place. In all circumstances he fully expected a distribution to be made in respect of 1976 which was no less than that for 1975.

As indicated last year the Board felt it desirable to reduce short term borrowings by means of a medium term loan and they have now agreed terms with the National Westminster Bank for a five-year loan of £5m.

Owen Owen—Mr. J. A. Norman reported that as inferred in his annual statement, the group would be reporting a decrease in profit at the end of the July half year. The position was capable of being reversed in the traditionally more important final half.

Sanderson Kayser—Mr. N. C. Macdiarmid—reported on Wednesday that for the year as a whole the company would do well to maintain profits at the same level as for 1975.

Wood and Sons (Holdings)—Mr. H. Francis Wood, told holders that during May, the home trade order intake was 73 per cent. higher than the corresponding period of 1975. There had been a considerable increase in the intake of new orders from overseas and the chairman anticipated further progress during 1976, and looked forward to another satisfactory year.

Crosby Spring off £74,430

Lower pre-tax profit of £304,076 is announced by Crosby Spring Interiors for the year to March 31, 1976—when reporting first half results down from £133,746 to £74,079, the directors said that although the outcome was expected to be satisfactory, profit was bound to be less than 1974-75's record £378,506.

Net dividend is 0.532p per 10p share, compared with an equivalent 0.4836p.

The company makes springs, spring units, spring making and assembly machines and operates as engineers' supplies merchants.

	1975-76 £	1974-75 £
Turnover	5,228,065	5,733,120
Pre-tax profit	304,076	378,506
Tax	161,038	182,990
Net profit	143,038	195,516
Extraord. debit	52,479	*3,122
Attributable	90,559	198,638

* Credit.

TELFER

The liquidator of Telfer reports that he does not forsee any further distribution to shareholders until a purchaser can be found for atleast one of the Glasgow properties. For the convenience of Ordinary shareholders, share will continue to be quoted on the Stock Market.

Gough Bros. confident

While the profit fall of wine merchants, Gough Brothers, for the year to January 31, 1976, was disappointing, its causes were largely outside the directors' control, says the chairman, Mr. R. C. Gough. He is confident that "we shall restore adequate profitability as soon as these causes are removed."

Any opportunity to expand and strengthen the company will be taken, he adds.

As reported on June 5 group pre-tax profit for the past year was £239,379 (£326,604), and the dividend is 2.8p (2.76p) net per share.

Nine retail shops and a wine bar at Marble Arch were opened bringing the total to 131 branches.

Meeting, Great Eastern Hotel, E.C., July 7 at 11.30 a.m.

APPOINTMENTS

LEGAL NOTICES

No. 001715 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WHITTON PRINT SERVICES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 15th day of May 1976 presented to the said Court by D. COHEN (STRAWBOARDS) LIMITED whose registered office is 5 Stratford Place, W.1. Paper Merchants, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Solicitors for the Petitioner,
10 North End Road,
London NW11 7PW.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June, 1976.

PUBLIC NOTICES

STRATHCLYDE REGIONAL COUNCIL £6,000,000 Bills maturing on 8th September 1976 were offered and issued on 9th June 1976 at a rate of 11½% p.a. Total applications for this issue amounted to £55,250,000 and there are £24,000,000 Bills outstanding.

NORTHAMPTON BOROUGH COUNCIL 800,000 bills issued June 9, 1976, maturing September 8, 1976. Rate 11.0371%. Applications totalled £8.5m. and there are 800,000 bills outstanding.

THE FIFE REGIONAL COUNCIL 2m. bills issued June 9, 1976, maturing September 8, 1976. Rate 11 7-64ths%. Applications totalled £18m. and there are 2m. bills outstanding.

PERSONAL

COMPANY NOTICES

BANQUE DE PARIS ET DES PAYS BAS
FLOATING RATE NOTES 1980—U.S.$25,000,000.

The annual interest rate applicable to the above loan in respect of the six months' period of 183 days commencing 9th June 1976, has been fixed at

7.4375 PER CENT

so that accordingly the interest payable in respect of such period (calculated on the basis of a year of 360 days for the actual number of days elapsed) will be made on 9th December 1976 at 37.80729 US dollars per coupon.

BANQUE DE PARIS ET DES PAYS BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

Dated: 11th June 1976

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index up 6.30 on general optimism

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 10.

GENERALLY HIGHER levels developed on Wall Street to-day, when some buying was attributed to the new ceasefire in Lebanon, recent gains in Bond Market prices, favourable assessment of the economic outlook by the White House Chief Adviser, and some hope that the money-supply figures would show no change, or a decline.

The Dow Jones Industrial Average moved up 6.30 to 964.39 and the NYSE All Common Index gained 43 cents to $53.05, while rises led falls by a near two-to-one majority. Trading volume expanded 1.54m. shares to 16.10m.

President Ford's Chief Economic Adviser, Alan Greenspan, said the U.S. economy is recovering from its recession at a faster pace than expected, and he also told a Congressional Joint Economic Committee that progress is also being made in the campaign against inflation and unemployment.

But after the NYSE closed, the Federal Reserve Bank of New York reported that Basic Money Supply (M1) rose by $1,000m. to $303,800m. in the week ended June 2.

Lockheed Aircraft gained $¾ to $10½—it reached an "understanding" with its lending banks on a financial package.

Conrac picked up $1⅞ to $21⅞ on a 10 per cent. stock dividend plus a quarterly payout of 20 (17½) cents per share.

IBM rose $2 to $255½, Digital Equipment $1⅞ to $158, J. R. McDermott $1¼ to $51½, Getty Oil $6 to $173, and Motorola $2⅞ to $57½.

Union Pacific were up $1½ to $88½ on a contract from Toyota Motor to transport 60,000 cars per year from Portland, Oregon to Mid Western points.

Superior Oil improved $5 to $172, Texas Instruments $2½ to $116½ and Cone Mills $2½ to $43½.

But Union Carbide surrendered $1½ to $65⅞, Inland Steel were off $1 at $53¾—it boosted some prices.

Swink advanced $2 to $15¾ on a quarterly dividend of 22 (15) cents per share.

THE AMERICAN SE Market Value Index rose 0.32 to 101.75, while advances led declines by 343 to 232.

Houston Oil and Minerals picked up $¾ to $58½.

American Fletcher Mortgage Investors slumped $2½ to $2½ on the removal of a limit on borrowing.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Gulf Oil	344,400	27½	[illegible]
Dow Chemical New	257,400	47	[illegible]
Xerox	245,400	56¼	−1¼
Walt Disney	157,000	51½	[illegible]
Cent. Sth. West	175,400	17¼	[illegible]
Pennzoil Oil	160,000	[illegible]	[illegible]
Citicorp	156,500	[illegible]	[illegible]
Texaco	149,200	27	[illegible]
[illegible]	150,000	[illegible]	[illegible]
Continental Oil	144,700	77	+½

Canada again mixed

Canadian Stock Markets remained irregular in moderate trading yesterday.

The Industrial Share Index rose 0.08 to 188.60. Golds put on 1.43 to 300.53 and Western Oils gained 0.44 to 236.89. But Banks dipped 1.56 to 241.00, Base Metals 0.14 to 89.31, Utilities 0.07 to 142.34 and Papers 0.42 to 121.07.

Cadillac Fairview rose $¾ to $11½ on fiscal 1976 earnings. Maclaren Power and Paper "A" advanced $1½ to $33½ and Massey-Ferguson were up $⅜ to $28⅜.

OTHER MARKETS

PARIS—Generally mixed in dull trading.

Banks and Investments were mixed, while Foodstuffs, Motors, Rubbers and Engineerings lost ground.

Electricals were weaker, and Oils, Chemicals and Transports all eased.

Foreign stocks were mostly higher, despite irregularity in Americans. Gold Mines firmed.

BRUSSELS—Marginally higher following continued calm trading.

Metals were firmer. Electricals and Utilities improved. Chemicals generally steady. Oils and Holdings little changed, while Steels were neglected and eased a little.

German and Dutch stocks firmed. South African Golds moved higher. French issues were steady to lower, while U.S. shares finished narrowly irregular.

AMSTERDAM—Prices generally advanced as offerings appeared to dry up, so helping small demand.

Gains were led by Heineken, Fokker and Naarden.

Insurances fell, however, while major Banks were mixed.

State Loans were very steady.

SWITZERLAND — Narrowly mixed in very quiet dealings.

Leading Banks were steady, while Financials and Insurances fluctuated slightly. Industrials were irregular.

State Bonds were little changed.

Dollar stocks generally edged lower in a moderate turnover, Dutch Internationals were quietly steady, while Germans were easier. Dresdner Bank were quoted at Frs.200 in first time trading.

GERMANY—Mostly higher, helped by Foreign purchasing.

Banks rose slightly. Electricals were strong. Chemicals firmed.

Motors were weak, however, although BMW rose DM0.30 to 241.80, VW dropped DM3 to 126.70.

Machine Makers were mixed, with gains ranging to DM4 and losses to DM2.50. Steels were mostly lower, with the notable exception of Mannesmann which jumped DM9 to 390 on foreign interest.

Minings, Metals and Stores were all narrowly mixed.

There was little trading in the Domestic Public Bonds sector.

OSLO—Bankings and Insurances were firm, while Industrials and Shippings were irregular.

COPENHAGEN—Easier in active dealings. Banks were lower. Industrials, Communications and Insurances were easy, while Shippings were mixed.

MILAN—Firmer in active trading.

Bonds were quietly easier.

AUSTRALIA — Industrials firmed following the rise in "short" Bond prices this week and hopes of a reduction in interest rates at the forthcoming Government Loan.

ICI rose 3 cents to $A1.83 and Tooth firmed 1 cent to $A1.77 on their encouraging results. CSR gained a further 6 cents to $A4.60.

Bank of New South Wales shed 2 cents to $A5.76 but National Bank put on 3 cents to $A2.77.

Profit-taking pushed Pan-continental back 30 cents to $A11.40.

MIM dipped 5 cents to $A2.60 on its noticeable downturn in copper output.

Utah eased 8 cents to $A3.65, while Poseidon further declined 10 cents to $A2.35 on its equity interest sale in a Western Australian Coal Mine to CSR. Peko Wallsend rose 12 cents to $A5.52.

Pastorals also firmed, reflecting the improvement in wool prices at recent Australian auctions.

HONG KONG—Prices higher in slightly improved trading.

Hong Kong Bank were up 30 cents to $HK18.60, Hutchison 10 cents to 2.95, Jardine 20 cents to 19.30, China Light 50 cents to 20.60 and Hong Kong Electric 5 cents to 4.125.

TOKYO—Mixed as fresh buying alternated with profit-taking and other selling. Volume 300m. (260m.).

Electricals firmed, reflecting good sales of colour TV sets and other home appliances.

Chemicals, Machinery shares, Petrochemicals and Oils also firmed, but some Foods, Pharmaceuticals, Steels, Shipping and Motors levelled off.

C. Itoh rose Y7 to 309—a subsidiary has an onshore Indonesia oil strike.

Heiwa Real Estate were down Y10 to 309, Kyoto Ceramic Y100 to 4,020, Minolta Y10 to 442, Maeda Construction Y5 to 510, and Sanraku-Ocean Y7 to 422.

Matsushita Kotobuki moved up Y130 to 2,210, Victor Y99 to 738, Omron Tateishi Y89 to 700, Makita Electric Y40 to 2,040, Yashica Y41 to 253, Maruzen Oil Y8 to 143, Showa Oil Y5 to 310 and Aichi Machine Y24 to 627.

JOHANNESBURG—Gold shares were generally harder, but many were off best levels.

Financial Minings retreated, with Johannies 25 cents lower at R28.75 and Gold Fields 50 cents down at R27.50.

Coppers were lower, while Platinums were steady to firm.

Industrials were little changed.

Indices

NEW YORK—DOW JONES

	June 10	June 9	June 8	June 7	June 4	June 3	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	964.39	958.09	968.97	960.05	963.90	973.80	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.28	72.37	72.44	72.51	72.56	72.24	73.60 (22/4)	68.11 (2/1)	—	—
Transport	217.66	210.84	211.74	212.22	214.36	215.29	230.81 (11/...)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	86.02	85.92	85.89	85.88	85.65	85.7	91.90 (4/2)	84.80 (28/5)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	16,100	14,560	16,900	14,510	15,850	16,500	..	—	—	—

	June 4	May 28	May 21	Year ago (approx.)
Ind. div. yield %	3.94	3.89	3.80	4.59

STANDARD AND POORS

	June 10	June 9	June 8	June 7	June 4	June 3	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	111.81	110.80	110.86	110.76	111.88	112.66	118.57 (24/3)	101.64 (2/1)	134.64 (11/1/73)	3.62 (30/6/32)
†Composite	99.56	98.74	99.00	98.65	99.15	100.12	103.51 (24/3)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	June 9	June 2	May 26	Year ago (approx.)
Ind. div. yield %	3.53	3.46	3.49	3.73
Ind. P/E Ratio	12.22	13.59	15.42	11.02
Long Govt. Bond yield	5.72	5.66	5.90	5.71

N.Y. S.E. ALL COMMON

June 10	June 9	June 8	June 7	1976 High	1976 Low
53.05	52.62	52.62	52.82	55.20 (...)	47.06 (2/1/76)

Rises and Falls	June 10
Issues Traded	1,818
Up	898
Down	460
Same	460
New Highs	32
New Lows	34

		June 10	June 9	June 8	June 7	1976 High		1976 Low	
MONTREAL	Industrial	198.18	197.62	197.86	198.62	207.66	(19/3)	176.61	(2/1)
	Combined	191.82	191.37	191.91	192.42	198.76	(20/5)	177.67	(2/1)
TORONTO	Industrials	188.60	188.61	188.79	189.24	197.46	(9/4)	175.91	(2/1)
JOHANNESBURG	Gold	219.6	215.9	215.9	215.7	226.7	(...)	174.4	(...)
	Industrials	210.5	210.7	211.4	212.8	215.1	(21/5)	195.5	(5/4)

	June 10	Previous	1976 High	1976 Low
Australia (a)	468.45	467.15	472.91 (12/5)	446.52 (6/1)
Belgium (b)	97.88	97.84	113.16 (5/2)	97.65 (3/6)
Denmark (d)	111.45	112.22	111.60 (5/6)	112.22 (9/6)
France (e)	67.2	67.7	74.5 (15/3)	65.1 (12/5)
Germany (f)	749.6	747.8	821.7 (17/3)	733.0 (25/5)
Holland (g)	92.6	92.0	106.3 (5/2)	91.4 (5/6)
Hongkong (h)	388.22	385.34	465.63 (1/3)	364.65 (2/1)
Italy (k)	74.61	73.83	91.57 (23/2)	72.20 (4/5)
Japan (m)	350.66	350.91	361.84 (7/6)	[illegible] (5/1)
Singapore (n)	242.45	249.77	256.16 (5/2)	238.35 (2/1)
Spain (p)	86.57	87.74	[illegible]	[illegible]
Sweden (q)	453.57	455.60	[illegible] (10/3)	[illegible]
Switzerl'd (r)	277.6	277.2	[illegible]	275.3

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails. (c) Closed.

Pound steady

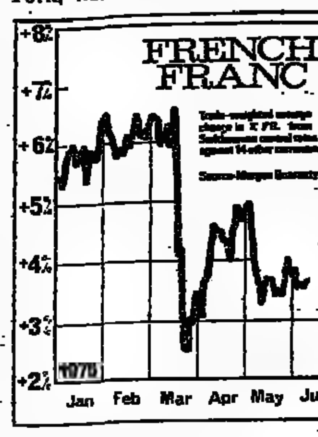
Sterling failed to record any substantial gains in the foreign exchange market yesterday, but there is growing evidence that following intervention by the authorities earlier this week a level of $1.77 has been established as the present "floor" for the pound in terms of the dollar. Trading was fairly quiet overall but market sources suggested that the Bank of England may have been required to give some support yesterday, following intervention of up to $200m. in the last few days. Sterling opened at $1.7700-$1.7720, and after touching $1.7745-$1.7755, fell to a low level of $1.7690-$1.7700, before closing at $1.7705-$1.7715, unchanged on the day.

The pound's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, widened to 39.2 per cent. from 39.1 per cent., after standing at 39.1 per cent. at noon and 39.2 per cent. in early dealings.

The Italian lira came under renewed pressure, as the Italian election on June 20 draws near, on evidence that the Christian Democrats may be losing support and there is a growing possibility of Communist participation in the next government. The lira closed at L854½ in terms of the dollar, after touching L868, against L854¾ on Wednesday.

Intervention by the Swiss authorities was again required to prevent a further sharp upward movement by the Swiss franc, but the currency still ended firmer against the dollar at SwFrs.2.4865, compared with SwFrs.2.5020 previously.

The dollar's trade-weighted average depreciation, as calculated by Morgan Guaranty of New York, narrowed to 1.30 per cent.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	June 10	June 9
Sterling	0.645282	0.647433
U.S. dollar	1.14344	1.14505
Belgian franc	45.2251	45.2352
Deutsche mark	2.94299	2.93442
French franc	5.41447	5.41752
Italian lire	977.321	975.897
Japanese yen	342.918	343.458
Dutch guilder	3.12788	[illegible]
Swedish krone	5.07573	5.07944
Swiss franc	2.84945	2.86835

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

June 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frank'f't		2.579-583	54.45-50	6.521-535	4.56-57	94.15-22	103.68-78
N. York	38.74-76		21.11-13	2.5295-32	1.7705-7715	36.49-51	40.21-23
Paris	183.82-22	4.7302-452		11.574-59	8.3775-4025	173.04-41	189.80-90
Brussels	15.33-36	39.50-53	8.23-46		69.91-70.04	14.42-46	15.53-57
London	4.56½-57½	1.7705-15	8.37½-8.40½	70.0-20		4.84½-85½	4.40-41
Am'rd'm	106.155-205	2.7542-67	57.78-83	6.9215-65	4.843-848		109.755-805
Zurich	96.39-67	2.4865-95	52.47-56	6.385-2075	4.40½-4110	90.64-81	—

U.S. $ in Montreal U.S. $=97.78-80 Canadian cents
Canadian $ in New York C$=102.23-25 U.S. cents U.S. $ in Milan 854.75-855.75
Sterling in Milan 1514.10-1516.10.

EURO-CURRENCY INTEREST RATES*

June 10 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	12-12½	6⅛-6⅝	8¼-8¾	4⅝-5	3⅞-4⅛	par-⅛
7 days notice	12-12½	5½-5¾	8¾-9¼	4⅝-5	3⅞-4⅛	par-⅛
Month	11½-12	5½-6	8-8¼	5⅛-5⅜	3⅞-4	⅛-⅜
Three months	11¾-12¼	5⅞-6⅜	8⅜-8⅝	5¼-5½	4-4⅛	1-1⅛
Six months	12¼-12⅝	6½-7	8⅞-9⅛	5⅞-6⅛	4⅛-4⅜	1⅝-1⅞
One year	12⅝-13⅛	7⅛-7⅜	9⅛-9⅜	6⅜-6⅞	5⅛-5⅜	2⅝-2⅞

Euro-French deposit rate: two-day 7½-7¾ per cent.; seven-day 7½-7¾ per cent.; one-month 8¾-9¼ per cent.; three-month 10½-10¾ per cent.; six-month 10 11/16-11 1/16 per cent.; one-year 10⅞-11 3/16 per cent.

Longer-term Eurodollar deposits: two years 8¼-8½ per cent., three years 8½-8¾ per cent.; four years 8¾-9 per cent.; five years 8⅞-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5⅝-5⅞ per cent.; three months 6-6¼ per cent.; six months 6⅝-6⅞ per cent.; one year 7 5/16-7 7/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	June 10	June 9
Gold Bullion (a fine ounce)		
Close	$126¼-127	$126¾-127¼
Opening	$126⅜-127¼	$126¾-127¼
Morning fix'g	$126.75 (£71.477)	$126.90 (£71.723)
Afternoon fix'g	$126.65 (£71.493)	$127.00 (£71.529)
Gold Coins (domestically)		
Krugerrand	$130½-132½ (£73⅜-74¾)	$130¼-132¼ (£73¼-74¼)
NewSov'r'gns	$46½-48½ (£26¼-27¼)	$46½-48½ (£26¼-27¼)
Old Sov'r'gns	$43-45 (£24¼-25¼)	$43¼-45¼ (£24¼-25¼)
Gold Coins (Intern'nally)		
Krugerrand	$130-132 (£73½-74½)	$130¼-132¼ (£73¼-74¼)
NewSov'r'gns	$46½-48½ (£26¼-27¼)	$46½-48½ (£26¼-27¼)
Old Sov'r'gns	$40¾-42¾ (£23-24)	$40¾-42¾ (£23-24)
$20 Eagles	$208-211	$208-211
$10 Eagles	$104-107	$104½-107
$5 Eagles	$73-76	$73-76

FOREIGN EXCHANGES

June 10 1976	Bank Rate %	Market Rates Day's Spread	Close
New York	5½	1.7690-1.7755	1.7705-1.7715
Montreal	8½	1.7315-1.7375	1.7330-1.[illegible]
Amsterdam	4	4.82½-4.86	4.84½-4.[illegible]
Brussels	7	69.70-70.50	70.00-70.[illegible]
Copenh'gen	8½	10.80-10.85	10.82[illegible]
Frankfurt	5½	4.54-4.58	4.56½-4.[illegible]
Lisbon	6½	54.45-54.95	54.75-54.[illegible]
Madrid	‡7	120.10-120.60	120.35-120.[illegible]
Milan	12	1,511-1,557	1,512-1,[illegible]
Oslo	5	9.75½-9.79	9.77½-9.[illegible]
Paris	8	8.38½-8.39½	8.37½-8.[illegible]
Stockholm	6	7.85-7.88	7.86½-7.[illegible]
Tokyo	6½	525-535	526½-5[illegible]
Vienna	4½	32.50-32.90	32.65-32.[illegible]
Zurich	2	4.38½-4.44½	4.40-4.4[illegible]

* Base discount. ‡ Given rates are convertible francs. Closing financial franc 70.80-71.10.

OTHER MARKETS

		Notes	Rates
● Argen'na	247.80-248.70	Argentina	[illegible]
Australia	1.4510-1.4472	Austria	[illegible]
Brazil	18.79-18.99	Belgium	[illegible]
Finland	6.88-6.91	Brazil	[illegible]
Greece	65.978-65.578	Canada	[illegible]
H'ngKong	8.6900-8.7175	Denmark	[illegible]
Iran	124-126	France	[illegible]
Kuwait	0.517-0.527	Germany	[illegible]
Luxemb'g	70.00-70.20	Greece	[illegible]
Malaysia	4.5180-4.5285	Italy	[illegible]
N.Zealand	1.7500-1.8082	Japan	[illegible]
SaudiArab	6.20-6.30	Netherl'ds	[illegible]
Singapore	4.3725-4.3866	Norway	[illegible]
S. Africa	1.5268-1.5517	Portugal	[illegible]
U.S.—		Spain	[illegible]
Canada		Switz'land	[illegible]
C$1—		U.S.	[illegible]
U.S. cents	102.14-102.17	Yugosla'la	[illegible]

Based on rates quoted by [illegible] dealers. ● Rate given is Official [illegible] SCBRA Rate [illegible].

FORWARD RATES

	One month	Three months
New York	0.85-0.88 c.pm	2.60-[illegible] c.pm
Montreal	0.45-0.55 c.pm	1.50-1.20 c.pm
Amst'dam	3½-2½ c.pm	8½-7½ c.pm
Brussels	20 c.pm-par	45-35 c.pm
Cop'nhg'n	2 ore pm-par	7.5 ore pm
Frankfurt	3⅛-2⅛ pf. pm	9½-8½ pf. pm
Lisbon	30-60 c. dis	90-120 c. dis
Madrid	par-50 c. dis	75-125 c. dis
Milan	10-20 lire dis	50-60 lire dis
Oslo	2 ore pm-par	8-6 ore pm
Paris	2-1 c. pm	5-4 c. pm
Stockh'lm	2 ore pm-par	7-5 ore pm
Vienna	30-10 gro pm	75-45 gro pm
Zurich	4⅛-3⅛ c. pm	12½-11½ c. pm

Six-month forward U.S. dollar 4.75-4.65c. pm and 12-month 5.90-5.80c. pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—119½% (118¾%).

NEW YORK

Stock	June 10	June 9
Abbot Lab.	45¼	42⅝
Corning Glass	24	73½
CPC Internat'l	42½	41¾
Crane	35	35
Crocker Nat.	25¼	23¼
Johns Manville	27⅝	27½
Johnson Johnson	85¾	85⅛
Johnson Control	19¼	19⅝
Joy Manufactur'g	47½	46⅝
Kaiser Aluminium	35¾	35
Republic Steel	37⅛	37⅛
Revlon	76	75½
Reynolds Metals	38⅛	37¼
Reynolds R.J.	57⅛	57¼
Richardson Merrel	21⅝	21⅛
Zenith Radio	30⅝	29⅝
Chile 6% 1993	†90	†90
U.S. Treas. 4½ 1990	†89½	†89½
US Treas 4¼ 75/85	†82⅞	†81⅞
U.S. 90 days bills	5.41½%	5.42%

CANADA · GERMANY · MILAN · AUSTRALIA · JOHANNESBURG · PARIS · BRUSSELS/LUXEMBOURG · TOKYO · SWITZERLAND · AMSTERDAM · STOCKHOLM · COPENHAGEN · SPAIN · OSLO · VIENNA

GERMANY	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	91	+0.9	—	—
Allianz Versich.	401	−8.5	17	2.0
B.M.W.	241.8	+0.5	18	4.0
BASF	164	−1.7	14	4.4
Bayer	156.9	+0.4	17	6.1
Bayer Hypo.	279m	......	20	3.6
Bayer Vereinsbk.	280	−1	20	2.9

MILAN	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	615	......	—	—
ANIC	575	−12	60	—
Assicur. Fin.	3,490	−9	150	6.7
Bastogi	874	+24	70	7.7
[illegible]	1,596	−16	150	9.5
Burgo	9,100	−20	200	2.5
Cementir	5,145	+65	200	4.1

AUSTRALIA June 10	Aust. $	+ or −
Acrow Australia	†0.70	−0.06
Adelaide Brighton Cement 50c	†1.17	......
Allied Ming-Trdg-Indus-$1	†1.63	+0.01
Ampol Exploration	†1.82	......
Ampol Petroleum	†0.68	+0.01
Assoc. Minerals	†3.30	......
Assoc. Pulp Paper $1	†0.68	......
Aust. Con. Industries	†1.68	−0.02

هكذا من الأصل

What happens when a Cockney Trophy Bitter drinker tries Liverpool's local Trophy?

Harry tumbles his first big loaf north of Watford and gets a grand-father clock.

Translation:

(Harry samples his first pint of Whitbread 'Bighead' Trophy Bitter outside London and gets something of a shock.)

"Apple fritter always 'as been me favourite tumble, know wot I mean? A nice 'ackney marsh o' Whitbread Big Loaf's my idea of 'eaven."

(Bitter always has been my favourite tipple, actually. There's nothing I like better than a glass of Whitbread 'Bighead' Trophy.)

"Well, I was up near the Pool last week in me old annie, fancied a swift Loaf, stopped at the first Whitbread rub-a-dub and got the grandfather of me life."

(Near Liverpool last week in my lorry, I felt like a 'Bighead', stopped at a Whitbread public house and got a real shock.)

"Liverpool Loaf's nuffin like it is down the local battle cruiser!"

(I discovered that the taste of Trophy in Liverpool varies slightly from the taste of Trophy in my own local.)

"The barman told me Whitbread make sure the taste of the Loaf varies to understand the local bung, see."

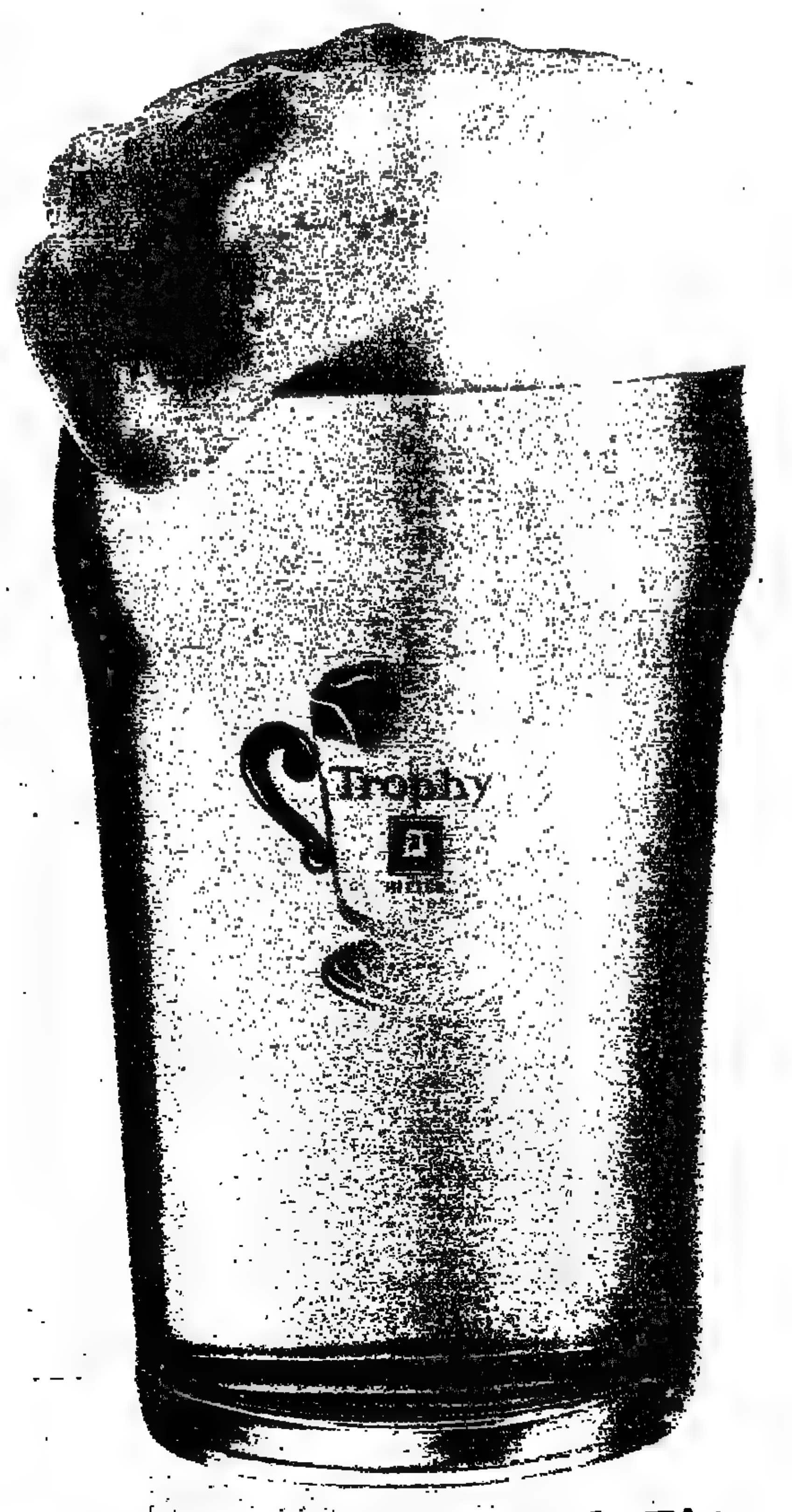
(This, the barman explained, is because Whitbread brew Trophy to 'understand the local tongue', as it were, to suit local tastes.)

"Still, even though the taste may hail-mary from place to place, the quality certainly stays in the game."

(Still, even though the taste may vary from place to place, the quality certainly stays the same.)

"Down the Colney!"

(Jolly good health to you!)



Whitbread 'Bighead' Trophy Bitter.
Brewed to understand the local tongue.

Trophy is brewed by local Whitbread breweries in Blackburn, Cardiff, Castle Eden, Cheltenham, Faversham, Kirkstall, Liverpool, Luton, Marlow, Portsmouth, Rhymney, Romsey, Salford, Samlesbury, Sheffield and Tiverton.

The Property Market

BY QUENTIN GUIRDHAM

Colville's 400 years in Chancery Lane

"They insist on regarding us as speculative property developers," said Sir Edmund Bacon, Knight of the Garter, Premier Baronet of England Lord-Lieutenant of Norfolk. If that is what the London Borough of Camden really is doing, then Sir Edmund has cause to feel less than pleased. The land has been in his family for four centuries and this is the fourth time that the site in question has been redeveloped since his direct ancestor Sir Nicholas Bacon, a half brother of Francis Bacon, bought a few acres around Chancery Lane during the reign of Elizabeth I. It's hardly an in-and-out operation.

What bothers the Colville Estate, a company owned by the Bacon and Strutt families, is a planning consent for Staple House, a 27,800 square feet block in Chancery Lane completed this week, which requires separate occupations for the seven floors. Camden would say that it does not differentiate between developers and that its office policy is in line with the Greater London Council's. That means it does not want much redevelopment, and what is allowed should, in this sort of building, be for the smaller space user.

Hence for Staple House the Council seemed to want basically an occupation per floor or perhaps this means a business which could run separate divisions on each floor. The ground floor showroom is going anyway to one local business, the silversmith who had occupied a place in the previous building, but that still leaves the Colville Estate in the frustrating position, especially these days, of believing it could let the rest to-morrow to a single occupier if only it were allowed to. The Official Solicitor is apparently overflowing from another Colville building down the road.

You get a curious planning position here. Colville Estate can make a fresh planning application, which would include a single user apart from the silversmith whom it wants to keep anyway both as an old tenant and to improve the street frontage of the area. But to make that application—it is out of time to appeal the old consent—it needs a renewed ODP. There does not, to an outsider, look much reason to refuse this, since ODP policy is meant to control the supply of office buildings and in this case you have a building which is already there.

The possibility of a government user should not complicate the matter at all, for in this sort of case there is no real reason for the left hand of Whitehall to take account of the right. But if Colville Estate does not get its renewed ODP then it has in practice lost its right for its case to be heard. If Colville gets the ODP then Camden can make up its own mind, but at least there is a right of appeal if, notwithstanding the office space in small units on the market, Camden decides that granting the new application would encourage office occupation it does not want. The council might feel that as a larger building, this is a scarcer commodity and so an exception could be made. For big solicitors' practices, for instance, there are not many opportunities to expand round the Law Courts.

Still, that is Strutt and Parker's problem, and the Strutts have been tackling the problems of land and buildings for nearly as long as the Bacons. The two families got together in the Colville Estate when the Strutts' Bayswater estate was heavily mortgaged in the last century and the Bacons took an interest. At about the same time the then Lord Rayleigh, Nobel Prize scientist, and head of the Strutt clan, got the family interested in trying to solve the problems of the agricultural depression by starting Lord Rayleigh's Farms (a business whose centenary celebrations are this week). That and Strutt and Parker (Farms) are private companies.

The separate Strutt and Parker agency business began on the land (Parker being a neighbouring Essex farmer and the first London business being letting country landowners' houses out of season) and is now concerned in the management of half a million acres. Its expansion in buildings has also maintained the idea of long-term management, with some heavyweight corporate clients and some well-documented relocation exercises.

In the case of the Colville Estate's London properties, the Bayswater bit was sold after the last war, considered as an unsuitable investment ("Every broom cupboard occupied and brothels everywhere" says Mark Strutt, senior partner), an investment decision perhaps proved right since some years later Mr. Rachman got hold of part of it. Proceeds from that sale were ploughed back into office and shop properties in Reigate, Ealing and Sheffield, but there has been no retreat from the old Chancery Lane holdings.

By redevelopment and refurbishment, the productive area of the estate has, in recent years, been increased by 10 per cent. It is still a fairly long-term exercise—"In one sense we don't develop for our clients, we develop for their grandchildren," said one of the managers from Strutt and Parker. But then the Bacon and Strutt families, the Bacons representing most of the 37 shareholders of the estate, are seemingly not looking to sell up out of private property owning and reckon that planning problems are a headache but not the ultimate disincentive. They are fairly used to problems in Chancery Lane, it being a street which marks the boundaries of three boroughs, the City, Westminster and Camden, and they have at least one building split between a couple of them.

What solution Strutt and Parker, as managing agents, find to this one will be interesting. The marketing of the Wates-built block is starting with the intention of getting £255,000 a year, a little over £9 a foot, for the whole.

More letting activity in France

News from two more agents, Knight Frank and Rutley and Westherall Green and Smith emphasises the increased letting activities in the French market. KFR France, better known for investment, report letting of over 11,000 square metres in central and western Paris.

In western Paris at Puteaux, which adjoins La Defense, "Chantecoq" a development by Bovis Immobiliere SA which was recently completed and consists of 14 floors of offices and ground floor shopping, is now over 50 per cent. let. A group of engineering companies has taken a total of 7,000 square metres. The rent negotiated was about Frs.400 per square metre for half the space and Frs.450 per square metre for the remaining floors and the leases are for the normal 3, 6, 9 year terms with annual indexation. The commercial ground floor space has just been let at Frs.600 per square metre.

In central Paris KFR have relet three floors of 58 avenue Marceau for Erate SA, a wholly owned subsidiary of EUPIC, the Dutch property investment company, who purchased the building in 1974. Transafer have taken a floor and Ofema and Paco Rabanne have both expanded within the building. The new lettings comprise a total of about 1,500 square metres and the building is now fully let. The most recent of the three lettings was at a rent of about Frs.1,200 per square metre which, say KFR France, is not only a reflection of the quality of the building but the increasing demand and relative scarcity of good accommodation in that part of Paris.

Also in central Paris KFR report that they have recently completed the letting of Hanover Property Unit Trust's building at 6 rue de Berri with 3,000 sq. m. of offices. Most recent lettings took place at around Frs.850 per sq. m. and tenants include Banque Europeene pour Le Moyen Orient, Smith Corona and Electronique Expansion, part of the Dassault Group.

Weatherall Green & Smith has been getting results outside Paris. The major Norwich Union development in Rouen—a 3,750 sq. m. six-floor building in Avenue Pasteur—has been fully let within two months of its completion. Over 75 per cent. of the space has been taken by the Postes Telephones et Telecommunications. As Weatheralls, who acted jointly with Cabinet Desert, point out, this is an unusually large letting in a city where the general demand is historically from small space users.

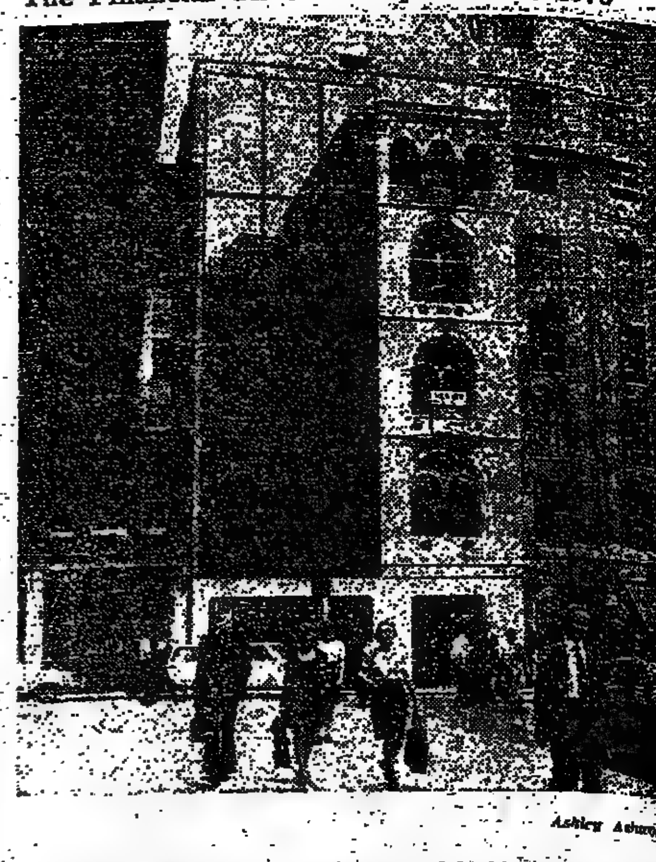
Further north, Etudes Leclere are leasing 694 sq. m. of space—i.e. most of the top floor—of British Land's recently completed 9,300 sq.m. Perinor block in the Avenue du General de Gaulle, Lille. Rental achieved was Frs 250 per sq. metre gross, and Serval Immeubles were the joint agents. Weatheralls report that there is now a reasonable demand for readily available space in Lille, and Perinor is particularly well placed as there are not many large areas available in the centre.

Back in Paris, Weatheralls latest deals include the leasing of a 940 sq. m. office building at 96 bis, Rue du Ranelagh, to Pershing Hall School, a well-known American establishment in Paris. The property is a typically elegant 19th century private house, now substantially modernised and used as offices.

OUT AND ABOUT

● High interest rates on borrowed capital will effectively rule out extensive private redevelopment schemes for a least the next five years, predicts Sir Oliver Chesterton, Honorary Secretary of the Royal Institution of Chartered Surveyors. It is the financial consideration which will determine "that reconstruction will in most cases be preferred to the alternative of redevelopment." Other factors were over-zealous legislation and oversensitivity of statutory planning procedures. But he wanted more legislation in one area: to deal with squatting.

● A pension fund client of Healey and Baker has paid £450,000 for St. James's House in Hargreaves Street, Burnley. The five-storey block of offices and showrooms, a total of 21,000 sq. ft., is let to the Department of the Environment. Vendors were Harrowby Street Properties, a subsidiary of Control Securities, who were represented by Petty and Company and Ratcliffes.



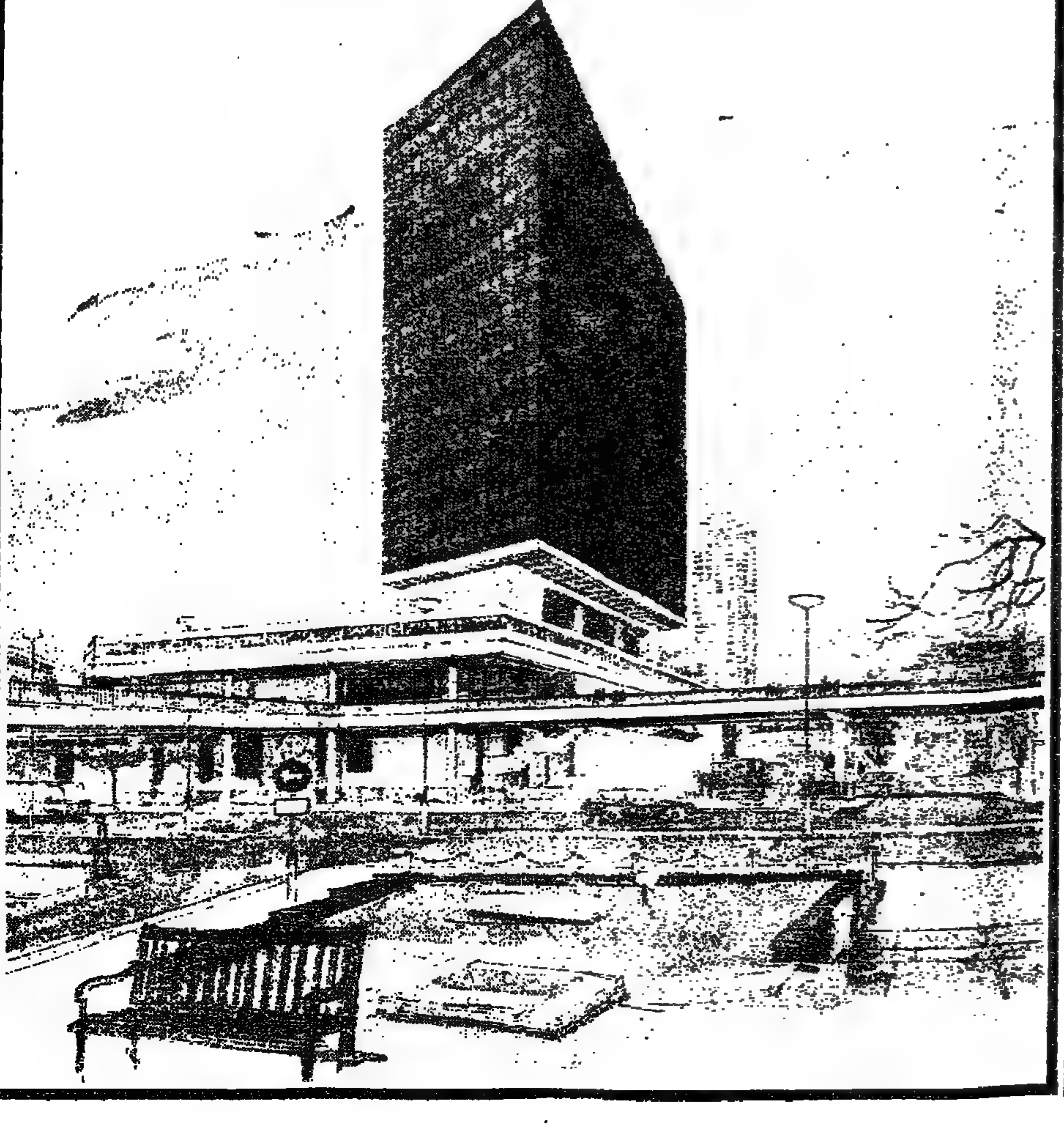
Ashley Ashwood

Right after completion of this unusual looking development in Fenchurch Street in the City, Auriol Property, a J. Lyons subsidiary, has leased the whole building to Bland Payne, insurance broking subsidiary of Midland Bank. The total is 7,650 sq. ft. and the rent is said to be around £110,000. Originally two buildings, the front elevation treatment involved a plate glass screen fixed across one half, producing this contrast of old and new. Jones Lang Wootton and Anthony Lipton and Co. acted for Auriol and are now retained to dispose of the freehold investment.

● Hanover St George Securities has let the last two units of phase 2 of its industrial development at Preston Guild Trading Estate. A 12,000 sq. ft. unit has gone to ICI subsidiary McDougall Rose, and a 7,500 sq. ft. unit to Beech's Chocolates. Rent is around 80p per sq. ft.

● Codap Motor and Services, subsidiary of Daher Group, Marseilles, has bought 50,000 sq. ft. garage and showroom known as Bedford House at Chiswick Roundabout, London W4, to operate a Peugot franchise. Richard Ellis acted for Codap.

INDUSTRIAL AND BUSINESS PROPERTY



مكاتبات الأصل

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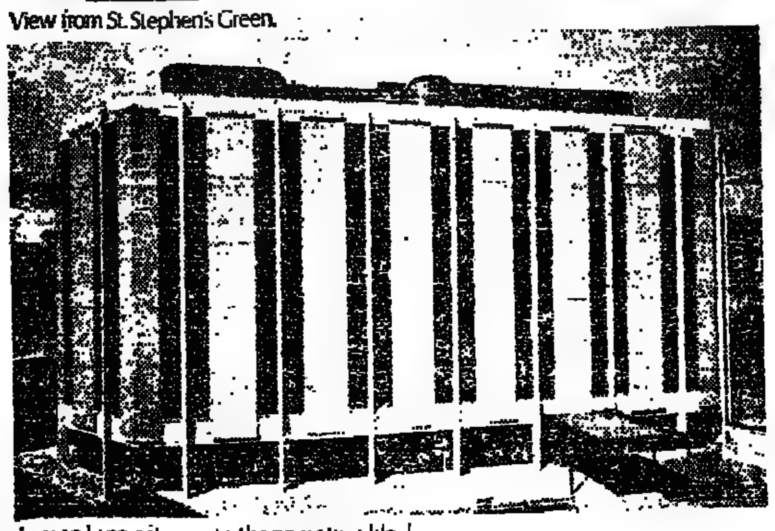
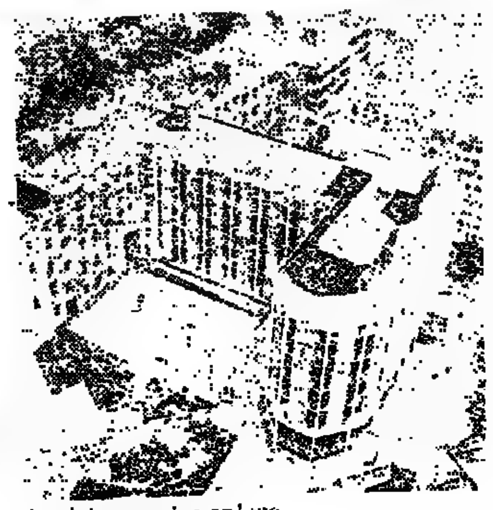
View from St. Stephen's Green.



Leeson Lane entrance to the new office block.



Aerial view from Leeson Lane.

RESIDENTIAL INVESTMENTS
URGENTLY REQUIRED
* BLOCKS OF FLATS
* ESTATES OF HOUSES MAISONETTES
* FREEHOLD GROUND RENTS

Our Clients, who have immediately available funds, wish to purchase in lots of £50,000-£500,000, although consideration will be given to suitable propositions up to £2m.
Full details to retained Surveyors:

1, Heath Street, Hampstead, N.W.3. 01-435 9851.
DRUCE

St. Albans
Modern single-storey
Factory
57,500 sq ft
To Let
Fletcher King & Megran
10-12 Cork Street London W1 01-734 7701

CANNON ST.
EC4
entire building
38,000 sq.ft.
will divide
apply sole agents
MICHAEL LAURIE & PARTNERS
8 ST. JAMES'S PLACE LONDON SW1A 1PD 01-493 4371

Number one in the City?

One College Hill, London EC4

Units of 1,000–2,200 sq.ft.

Air-conditioned Offices To Let

Joint Agents:

JONES LANG WOOTTON Chartered Surveyors
33 King Street, London EC2V 8EE
Tel: 01-606 4060. Telex: 885557

Robert Cutts & Co. CHARTERED SURVEYORS
64 Cannon Street, London EC4N 6AD
Tel: 01-236 4606

A Development by The Norwich Union Insurance Group in partnership with Horsham District Council.

Horsham

Central Area Redevelopment

4,700 sq.ft. & 10,500 sq.ft. Offices To Be Let

Sole Agents:

JONES LANG WOOTTON Chartered Surveyors
103 Mount Street, London W1Y 6AS.
Tel: 01-493 6040.
Telex: 23858.

Kiln house

Pottergate Norwich

78,000 sq.ft. PRESTIGE OFFICE SPACE TO LET

- Air-conditioning
- Luxurious Entrance Hall
- Suitable for one or more occupiers
- Easy walking distance to the market place and main shopping area
- In the heart of the city-centre
- Good Road and Rail access to London and the Midlands
- Directors' Car Parking
- Multi-storey car park close by
- Direct access to the major ports of Harwich and Felixstowe

Richard Ellis
Chartered Surveyors
6-10 Bruton Street London W1X 6DU
Telephone: 01-499 7151

FRANCIS HORNOR & Son
Chartered Surveyors
Old Bank of England Court Queen Street Norwich
Telephone: (0603) 29871/4

An office development by Friends' Provident Life Office

69-71 Great Peter Street

London S.W.1.

An exceptional new development of fully air conditioned offices and ground floor showrooms with car parking and three executive flats comprising in all some 21,780 sq.ft.

TO BE LET

SOLE AGENTS

Hillier Parker May & Rowden
77 Grosvenor Street, London W1A 2BT
Telephone 01 629 7666
and City of London, Edinburgh, Paris, Amsterdam, Sydney, Melbourne & Brisbane

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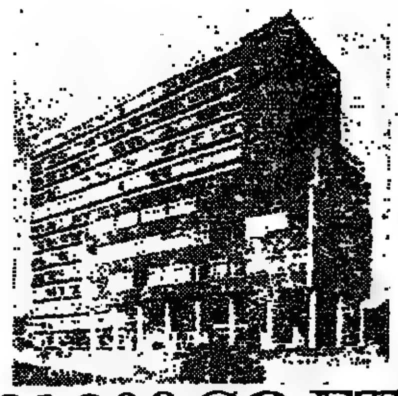
PROPERTY

The Annual Financial Times Property Survey will appear this year on Monday 19th July. For details please contact Terence C. Druce on 01-248 8000 Extn. 7196 or 7116

RANDOLPH HOUSE WELLESLEY ROAD, CROYDON



39,800 SQ.FT.
(10th, 11th, 12th Floors)
SUPERB FULLY FITTED OFFICES
IMMEDIATE POSSESSION
TO BE LET AS A WHOLE OR IN FLOORS OF 13,000 SQ.FT.

Carpeting throughout. Office partitioning. Acoustic ceilings. Recessed light fittings. Executive offices. Boardroom. Conference rooms. Directors dining room. Staff canteen. 39 car park spaces

Sole Agents
John Postlethwaite
23 COLLEGE HILL, LONDON, EC4R 2TP. Tel: 01-248 4205 and LIVERPOOL

FOR SALE
EAST ANGLIAN COAST
at
GREAT YARMOUTH
(Gorleston)
62,000 sq. ft.
Central Heated Modern
FACTORY/WAREHOUSING
with ½ acre secure yard
26,500 sq. ft. air conditioned
High letting potential, will yield 19% gross
PRICE £240,000 Freehold

Sole Agents:
ELLINGTONS
Estate Agents,
86 London Road, South Lowestoft.
Telephone 63633/4

Suffolk House

George Street
Croydon
18,200 sq.ft. To Let

JONES LANG WOOTTON Chartered Surveyors
6 Barclay Road, Croydon CR9 1UQ
Tel: 686 6821

FULLER PEISER 3-4 Holborn Circus London EC1N 2HL 01-353 6851

PRIME
CITY OFFICES TO LET
75/100,000 SQ. FT.

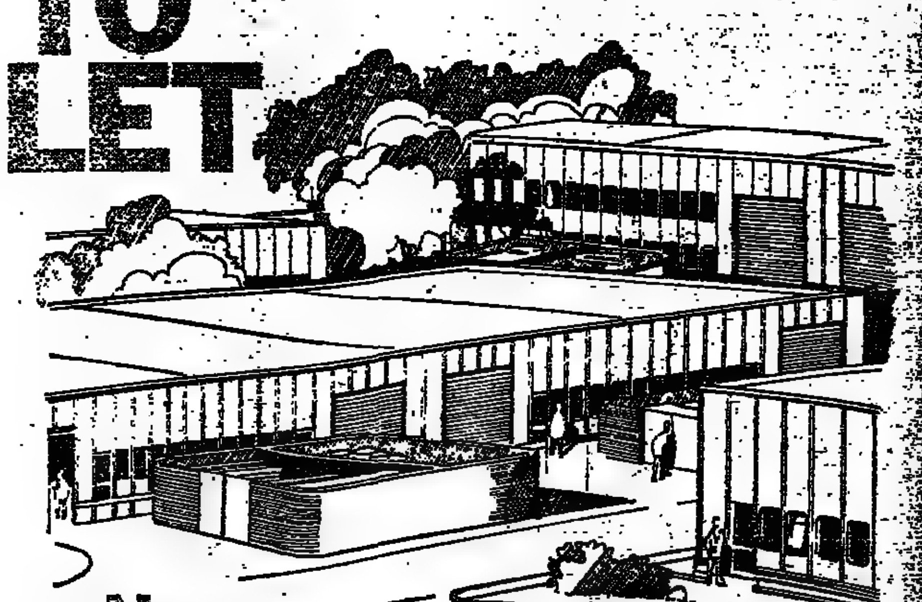
Principals or Retained Agents to:
Box T4343, Financial Times, 10, Cannon Street, E.C.4P 4BY

TO LET — 80,000 SQ. FT.
OF GOOD WAREHOUSE SPACE

with private enclosed yard in the Loughborough area Height 16 ft to 20 ft. Would sub-divide Ideal distribution centre Rent 60p per sq. ft.

Contact.
FEATURE PROPERTIES LTD.,
556 Melton Road, Thurmaston, Leicester.
Telephone: Syston 7951/4.

TO LET



New Factories Peterborough

from £1 a square foot

Extremely well fitted factories available singly or in multiples of 3,000, 7,000 and 10,000 sq ft in Woodston industrial area, Peterborough, close to new urban motorways.

Offices included - Ample Car Parking
All Services - Storage Compound

Large pool of local labour. Housing guaranteed for your existing employees.

Ring John Case, Chief Estates Surveyor
0733-68931

Or write–
Peterborough Development Corporation
PO Box 3 Touthill Close City Road
Peterborough PE1 1UJ

Say Good-bye to all this at Chequer House King's Lynn.

30,000 sq ft of new offices available now at a low rental in the centre of this expanding town. Adjacent to the new pedestrianised shopping precinct.

The comprehensive specification includes full carpeting, lift, car parking facilities, prestige entrance hall and full central heating.

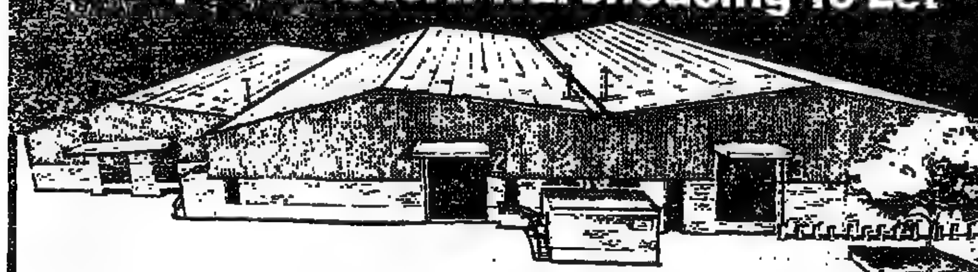
King's Lynn is an ideal location with excellent road, rail and sea links. It is a GLC relocation town and incentives are available to ingoing companies.

For full details, please contact the Agents:
53 Wigmore Street, London W1H 0BQ.
Telephone: 01-486 3531.

BRECKER GROSSMITH

Unit 5, Cray Valley Trading Estate Orpington, Kent

Superb Modern Warehousing To Let



- Approx. 44,360 sq. ft. comprising two self-contained bays of 13,500 sq. ft. and 30,860 sq. ft.
- 20 ft. eaves height; excellent loading facilities.
- Strategically located for London, the South-East & Channel Ports.

Thomas & Atkins
In association with John D. Wood
62 Cannon Street
London EC4N 6AE
01-236 6122

DRIVERS JONAS
18 Pall Mall
London SW1Y 5NF
01-930 9731

By order of The National Westminster Bank Limited

Notice of Sale of Valuable Freehold Business Premises

1, HIGH STREET, YEOVIL

(In a prominent and prime position in the town with excellent frontage to both High Street and Princes Street)

Extensive accommodation on principally Three Floors.
FORMER BANK PREMISES ON GROUND FLOOR (1,395 SQ. FT.)
FORMER SHOWROOM SUITE ON FIRST FLOOR (1,150 SQ. FT.)
OFFICE SUITE ON SECOND AND THIRD FLOORS.

FOR SALE BY TENDER

(Closing date Wednesday, 7th July, 1976)

Further details from the Sale Agents:—
GRIBBLE BOOTH & TAYLOR,
17 Hendford, Yeovil 23434/5
Solicitors:—
Messrs. BATT, SANDERS & BENNETT,
Prestleigh House, Hendford, Yeovil 22264

FOR SALE
WEST MIDLANDS
NEAR
MARKET DRAYTON

130,000 sq. ft. of modern single storey Warehouse Buildings with large area of concrete hardstanding on an 18-acre site.

ONLY £295,000 FREEHOLD

Write Box T.4348, Financial Times, 10, Cannon Street, EC4P 4BY.

NEW OFFICES IN COVENTRY

with SPECIAL TERMS for PRE-LET
13,980 SQ. FT.
Self contained building
No service charge
FAIRHOLME ESTATES LTD.
15, Berkeley St., London W1X 6DU
Tel: 01-493 9681

مكتبة الأصل

SHOPS AND OFFICES

FOR INVESTMENT

WANTED

INTERNATIONAL PROPERTY

ESTATE AGENTS DIRECTORY

The next edition of this monthly feature will appear next Friday, June 18. *For details contact:*
Terence Druce
01-248 8000
extn. 7196 or 7116

FACTORIES AND WAREHOUSES

LAND FOR SALE

BUSINESSES FOR SALE

HOTELS AND LICENSED PREMISES

BUSINESSES WANTED

COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP

TRANSVAAL GOLD MINING COMPANIES

DIVIDENDS

Notice is hereby given that dividends have been declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on 25th June 1976, and to persons presenting the relevant coupons detached from share warrants to bearer. A notice regarding payment of dividends on coupon No. 75 detached from share warrants to bearer, issued by The South African Land & Exploration Company Limited will be published in the Press by the London Secretaries of that company on or about 18th June 1976.

The transfer registers and registers of members will be closed in each case from 26th June 1976 to 9th July 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 5th August 1976. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 27th July 1976 of the rand value of their dividend (less appropriate taxes). Any such members may however elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before 25th June 1976.

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London Offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupon No.	Rate of dividend per share
The South African Land & Exploration Company Limited	74	75	2.5 cents
Vaal Reefs Exploration and Mining Company Limited	40	—	50.0 cents
Western Deep Levels Limited	29	—	45.0 cents

Note:
As a consequence of the fluctuations in the price of gold on the free market and the varying proportions of gold taken into South African Reserves and of gold sold on the free market, the average price likely to be received by gold mining companies and the overall earnings for the financial year are difficult to predict. Shareholders are reminded that the level of interim dividends has been brought closer to actual earnings in the six months' period, taking account of estimated tax, capital expenditure and the financial needs of the companies. It follows that the interim dividends now declared are not to be taken as an indication of the final dividends.

East Daggafontein Mines Limited.
The directors of East Daggafontein Mines Limited have decided that no interim dividend will be paid by this company.
The attention of shareholders is directed to a separate announcement published in conjunction with this notice concerning the withdrawal of State Assistance to East Daggafontein Mines and future dividend prospects.

By order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. J. Pattison

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 8EQ

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

10th June, 1976

DE BEERS CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER
PAYMENT OF COUPON NO. 134

WITH REFERENCE TO THE NOTICE of declaration of dividend advertised in the Press on 26th May 1976, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of one rand (R1.00) per share was declared in South African currency. South African non-resident shareholders' tax at 15 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 85 cents per share. The dividend on bearer shares will be paid on or after 30th July, 1976 against surrender of coupon No. 134 detached from the share warrants to bearer as under—

(a) At the offices of the following Continental paying agents by residents of the countries concerned for payment in the appropriate local currency:
Banque Rothschild
21, rue Laffitte,
Paris 9e.
Banque Bruxelles Lambert,
24, Avenue Marnix,
Brussels 1050.
Societe Generale de Banque,
Montagne du Parc 3,
Brussels 1.
Credit Suisse,
Paradeplatz 8,
Zurich.
Union Bank of Switzerland,
Bahnhofstrasse 45
Zurich.
Swiss Bank Corporation,
1, Aeschenvorstadt,
Basle.
Banque Lambert-Luxembourg,
11 Boulevard Grande-Duchesse Charlotte,
Luxembourg.
In respect of coupons lodged at the offices of a Continental paying agent the dividend payment will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the Continental paying agent. Instructions regarding disposal of the proceeds of the payment so made must be given to such authorised dealer by the Continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated Limited 7 Rolls Buildings, Fetter Lane, London EC4A 1HX.
Persons lodging coupons at the London Bearer Reception Office prior to 16th July, 1976 will be paid the United Kingdom currency equivalent of the rand currency value of their dividend on 20th July, 1976. In the case of coupons lodged at the London Bearer Reception Office on or after 16th July, 1976 the dividend will, unless the depositor requests payment in rand to an address in the Republic of South Africa, be remitted to the London Bearer Reception Office through an authorised dealer in Johannesburg at the then prevailing rate of exchange and the U.K. currency proceeds arising therefrom will be paid to the depositor concerned.

Coupons must be left for at least four clear days for examination, and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom income tax will be deducted from coupons paid in United Kingdom currency at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 65 cents per share in terms of sub paragraph (b) above arrived at as under:

	South African Currency Per Share Cents
Amount of dividend declared	100
Less: South African non-resident Shareholders' tax at 15%	15
	85
Less: U.K. income tax at 20% on the gross amount of the dividend of 100 cents	20
	65 cents

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. J. PATTISON

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
10th June 1976.

NOTE: The Company has been requested by the Commissioners of Inland Revenue to state:-
Under the double tax agreement between the United Kingdom and the Republic of South Africa the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 20% instead of at the basic rate of 35% represents an allowance of credit at the rate of 15%.

NCHANGA CONSOLIDATED COPPER MINES LIMITED
(Incorporated in the Republic of Zambia)

NOTICE TO HOLDERS OF 5½ PER CENT AND 5 PER CENT REDEEMABLE CUMULATIVE PREFERENCE SHARES
PREFERENCE DIVIDEND NO. 13 FOR SIX MONTHS ENDING 30TH JUNE 1976

THE DIRECTORS OF Nchanga Consolidated Copper Mines Limited announce the declaration of a dividend on the 5½ per cent and 5 per cent. redeemable cumulative preference shares in respect of the six months ending 30th June, 1976 at the rate of 5½ per cent per annum and 5 per cent per annum respectively less Zambian withholding tax at the rate of 20 per cent equivalent to a net dividend of 4.4 per cent per annum and 4 per cent per annum, respectively. The dividend is payable to preference shareholders registered in the books of the company at the close of business on Friday 18th June, 1976.

The TRANSFER REGISTERS will be CLOSED from 19th to 30th June 1976 and dividend warrants will be posted about Wednesday, 30th June 1976.

In respect of dividends payable by the London Paying Agents to preference shareholders whose registered addresses are the United Kingdom or to preference shareholders who have mandated payment to addresses in the United Kingdom, there will also be deducted United Kingdom income tax at the rate of 20 per cent, which allows for double taxation relief at 15 per cent except where authority has been received from the Inspector of Foreign Dividends to pay without such deductions. In all other cases, no United Kingdom income tax will be deducted.

The payment of preference dividends is subject to the Zambian Exchange Control Regulations. The terms of the present regulations are such that the remission of dividends is permitted only at the end of the financial year of the Zambian companies declaring such dividends and is subject to the amount being remitted not exceeding 30 per cent of the proportion of the net profit attributable to the external shareholders or 10 per cent of the capital of the company attributable to those shareholders, whichever is the lesser.

The company's last financial year ended on 31st March 1976, and application will soon be made to the exchange control authorities for permission to pay to shareholders resident outside Zambia preference dividends Nos. 12 and 13 in respect of the six months period ended 31st December 1975 and 30th June 1976, respectively.

By Order of the Board
R. L. BWALYA
Manager and Company Secretary
74 Independence Avenue,
Lusaka
Zambia.
10th June, 1976.

GOLD FIELDS (BERMUDA) LIMITED

10¼% GUARANTEED BONDS DUE 1985

Gold Fields (Bermuda) Limited announces that the first instalment of Bonds for a nominal value of U.S.$1 000,000 due for redemption on 15th July 1976 in terms of the sinking fund provisions of the Trust Deed has been purchased in the market and surrendered to the Trustee.

Bank of Bermuda Building
Hamilton 5-31, Bermuda.
11th June 1976.

CROSSLEY BUILDING PRODUCTS LIMITED

8% CUMULATIVE PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the 8% Cumulative Preference Shares of the Company will be closed from Tuesday 15th June 1976 to Wednesday 30th June 1976 for the preparation of Dividend Warrants.

By Order of the Board
G. H. M. Gray
Secretary

EUROPEAN COAL AND STEEL COMMUNITY

6½% 20-YEAR BONDS OF 1966 15th JUNE, 1986

THE COMMISSION OF THE EUROPEAN COMMUNITIES announce that the redemption instalment of U.S.$1,000,000 due 15th June, 1976 (as published in the Financial Times on 18th May, 1976) has now been met as to purchases in the market to the nominal value of U.S.$717,000 and by a drawing of bonds to the nominal value of U.S.$283,000.

The distinctive numbers of the additional U.S.$3,000 nominal bonds, drawn in the presence of a Notary Public, are as follows:—
9061 to 9063
11th June, 1976.

LEGAL NOTICES

No. 001839 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SIMON BARRY (SEPARATES) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of May 1976, presented to the said Court by UNINHIBITED LIMITED of 42 Mortimer Street, London, W.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MATTHEW TRACKMAN-LIPTON & SPRY,
160 Piccadilly,
London W1V 9BT.
(Ref: KK.)
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of June 1976.

229811

The Companies Acts 1948 to 1967. Company Limited by Shares.

SPECIAL RESOLUTION

(Pursuant to sections 141 (2) & 278 (1) (b) of the Companies Act 1948)

ADEMAR TRADING LIMITED

Passed 29th May, 1976.

At an Extraordinary General Meeting of the above-named Company, duly convened, and held at 48 Lancaster Grove, London N.W.3, on the 29th day of May 1976, the subjoined Special Resolution was duly passed, viz:—

RESOLUTION

That the Company be wound up voluntarily, and that MR. EDGAR MORDLER, and MRS. DAISY MORDLER ... London ... ERNEST ... Court ... Kent ... Liquidators for the purposes of such winding up.

All creditors ... The Liquidation is for the purposes of reconstruction only and trading will be continued ... which has the same board of directors and is ...

ART GALLERIES

CLUBS

FARMING AND RAW MATERIALS

Big cut in coffee crop predicted

WASHINGTON, June 10.

[WO]RLD COFFEE production for [197]6-77 has been forecast at [illegible]m. bags, against an estimated [illegible]m. bags in 1975-76, by the [U.S.] Agriculture Department [(U]SDA), reports Reuter.

[T]he Department predicted that [illegible]m. bags would be available [for] export, compared with 52.9m. 1975-76.

[I]n its first estimate for the [197]6-77 crop year, USDA noted [tha]t this would be the smallest [cro]p since 1970-71, when total [wo]rld production amounted to [onl]y 58.3m. bags.

[I]t forecast Brazil's 1976-77 [cof]fee production at only 9.5m. [bag]s, against an estimated 23m. [bag]s in 1975-76.

[Al]though precise data concern[ing] consumption in the produc[ing] countries is not available, [US]DA has cut its estimate of [tha]t consumption by nearly 10 [per] cent. to compensate for the [an]ticipated effect of higher [pri]ces.

On the London terminal mar[ke]t, coffee prices closed well [be]low the day's peaks having [eas]ed back following a sharp [ear]ly rise. The September posi[tio]n ended £6 up on the day [at] £1,525.5 a tonne.

World sugar crop estimate reduced

WASHINGTON, June 10.

[W]ORLD SUGAR output in [19]75-76 is now forecast by the [U.]S. Department of Agricul[tu]re (USDA) at 81.3m. tonnes, [st]ill a record but 750,000 tonnes [do]wn on the Department's March [es]timates. Output in 1974/75 [to]talled 78.2m. tonnes.

The reduction is attributed to [d]ownward adjustments in the [es]timates for Brazil and the [S]oviet Union.

The USDA estimated global [y]ear consumption during [1]975-76 at 80.8m. tonnes, only [illegible],000 tonnes below produc[ti]on.

It said world beet sugar pro[d]uction of 32.2m. tonnes in [1]975-76 accounted for most of [th]e increase over the year before [an]d world cane sugar output of [4]9.1m. tonnes was 60 per cent. [o]f total world output in [1]975-76.

[R]euter

PLATINUM PRICE RAISED TO £97

Engelhard Industries has raised its minimum platinum price to £97 an ounce (£88.50 previously) with effect immediately.—Reuter.

General rise in commodity prices

BY JOHN EDWARDS, COMMODITIES EDITOR

COMMODITY PRICES showed a general upward trend on the London markets yesterday, inspired by the surge of buying interest on the Chicago grain markets.

In London there was a record turnover on the U.K. barley and wheat futures market as values were pushed sharply higher.

Despite the steady tone of sterling, rubber prices were the permissible limit up on the futures market and the spot quotation gained 2p to 55p a kilo—the highest level since early 1974.

The Cotton Index quotation jumped by 2.15p to 78.4p a kilo and the New York market was again the limit up in early trading.

The "bullish" sentiment generally in commodities was also reflected in the metal markets. Silver led the way, with prices reaching the highest level for about two years. The bullion market spot quotation was raised by 4.5 to 273.9p an ounce, and values moved further upwards in later trading.

Lead strong

Copper attracted extra buying interest, particularly from speculators since trade demand remained quiet, and cash wirebars climbed by £8.75 to £858.25 a tonne.

Tin shrugged off a fall in the Penang market and some reported selling by the buffer stock of the International Tin Agreement, while there were substantial increases in lead and zinc prices.

Lead was particularly strong, influenced by trade and speculative buying which pushed the cash price up by £8.75 to £274 a tonne—a gain of £12.5 this week alone.

Meanwhile Ministerial talks between member countries of the Council of Copper Exporting Countries (CIPEC) opened in Paris yesterday with Chile's demand for a return to full production levels as the main item for discussion. The Chilean plan to cancel the present 15 per cent. production cut in force due to better demand is expected to meet strong opposition from other countries, notably Zambia and Zaire.

Compromise

It is thought unlikely that Chile will win agreement for its proposals, without threatening the whole future of CIPEC, but a compromise formula could be reached by adjusting the basis on which the "cutback" is based, as happened at the last meeting, so that in effect existing full production levels can be utilised.

Zambia is emphasising that it is meeting its full contracted delivery commitments, following a great improvement in shipments out from Dar-es-Salaam, which is now able to handle copper exports without the previous delays. At the same time there are known to be substantial quantities of Zambian copper hoards in the LME warehouses.

French grain crops hit by dry weather

PARIS, June 10.

FRENCH WHEAT deliveries from producers are now forecast to reach only between 14m. and 15m. tonnes this year against an earlier estimate of 17m. tonnes because of prolonged dry weather, a senior French cereals official warned to-day.

He added that deliveries could fall to below last year's 12m. tonnes level if the drought continued.

The lower estimate comes despite an increase in areas sown to 4.15m. hectares from 3.65m. last year.

Wheat deliveries last year were below average and fell below early estimates because of heavy rainfall in the autumn. Sowings for this year's crop were completed in favourable conditions and showed good early growth, which has since been arrested by the abnormally dry condition of the soil.

On barley, the official said with 2.7m. hectares sown this year (the same as last year) a production of around last year's 5.4m. tonnes level had been estimated. But this should now also be revised downwards.

The conditions of maize causes less concern as sowings were only completed in May and deliveries can still be estimated at around last year's figure of 6.6m. tonnes if there is normal rainfall during the summer.

Meanwhile the U.S. Agriculture Department last night trimmed its estimate of this year's winter wheat crop by 3 per cent. from its forecast of a month ago, attributing the 48m. bushel reduction mainly to damage caused by frosts early last month. Reuter

Aluminium supply cut warning

By Rhys David

ALCAN in the U.K. is to follow its Canadian parent by invoking force majeure on metal supply contracts as a result of the strike at smelters in Canada. The announcement affects ingot and chemical products supply commitments in Britain, Ireland and Scandinavia.

The warning of possible cuts is being made because Alcan is dependent for some grades of metal on Canada but the company says it will be next week before the products likely to be affected are clear. Alcan has still to clarify availability of supplies from Canada and to work out whether or not it can circumvent shortages of product types.

Alcan claims to have about 30 per cent. of the total U.K. aluminium market of around 500,000 tonnes a year and draws on its Lynemouth smelter for most of its supplies. This smelter is currently producing at around 92 per cent. of its 120,000 tonnes capacity and is being brought back to full production by autumn. The company also draws on other sources of supply apart from Lynemouth and Canada, and will be looking to these to fill some of the gaps which may now occur.

Yesterday, Alcan stressed that the declaration applies only to ingot and chemical products and not to semi-fabricated products. Alcan Booth, Alcan's main U.K. semis subsidiary, itself draws 25 per cent. of its metal from Kaiser Aluminum which has a 25 per cent. stake in the company. Alcan said supply reductions would be applied fairly to all customers including its own fabricating affiliates.

U.K. butter price cut

By Our Commodities Staff

THE WHOLESALE price of Country Life English butter is to be cut by £40 a ton (2p a lb) from next Monday. Announcing this reduction yesterday, the English Butter Marketing Company said the move reflected "the booming domestic butter production" made possible by "buoyant" milk production.

In the House of Commons meanwhile, Mr. Fred Peart, the Agriculture Minister, denied that a U.K. butter "mountain" was building up. Answering Labour MP, Mr. Raphael Tuck, who was calling for Government action, Mr. Peart said: "there is no butter mountain in this country."

U.K. LIVESTOCK

Danger signals for farmers

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

A EWE HOGG, to the initiated, is a female sheep of one year old, and during April and May large numbers of these are sold in Cumbria and other northern districts by farmers who have wintered them after buying them at the autumn sales. The breed I am interested in is the grey face or mule—a cross between the Swaledale ewe and what is called a blue faced Leicester ram. I generally buy a number every Spring to make up the numbers of my main ewe flock.

This year I was fortunate in buying them early, although this took some nerve in the drought conditions of the south in mid-April. Since I made these purchases the trade has taken off and the price has risen from about £25 to between £33 and £35 per head. If they have been mated and have a lamb at foot the price approaches £50 for the pair. The arithmetic of this is hard to justify. The maiden animal at £35 will produce this year £2 worth of wool and nothing else until she breeds lambs next March or April. At least 10 per cent. of any bunch will not rear lambs next time, and if they haven't died, will have to be sold for about half what they cost originally.

Potato boom

Even the vendors are getting worried. I was at a sheep show in the north the other day and several farmers who had been selling confessed this to me. They did not see how their customers would survive such prices which in general were double those of last year. I observed that their concern did them credit and looked for a substantial discount should I decide to bid, but their anxiety did not seem to extend that far.

This is an example of the folly that seizes many farmers when the grass is growing fast and they have not the stock to eat it, or the energy or resources to turn the surplus into hay or silage. Except for the drought-stricken southern counties there is plenty of grass around. There is also a good deal of money around. The potato boom turned what in many cases was only a small-scale part-time crop into a short-term bonanza.

The same phenomenon has affected the cattle trade, and the substantial rise in fatstock prices since the holiday has given a further fillip to buyers' enthusiasm. Earlier this spring the price for good quality store cattle to be grazed on grass was £29 per live cwt. in face of a guaranteed price of about £27. If a farmer bought a 6 cwt. beast at this price, a total of £174, he might hope to sell it later in the year at perhaps 9 cwt. making a total of £240 leaving him £60 to £70 for profit after expenses.

There is not a very fat living in this, especially with bank interest and rents at the levels they are to-day and few farmers depend on beef alone, rather it is a subsidiary enterprise. The attraction is that the adult beef animal gives very little trouble and looking round them is very pleasant in the long summer evenings. However, those who bought early are sitting very pretty now. Store cattle along with sheep have surged ahead and the price in Scotland last week was well over £30 per live cwt.

One of the contributory causes is undoubtedly the fall in cattle stocks since last year—in total they are down by about 6 per cent., a reflection of the crisis of 1974 when the main livestock areas suffered an appalling slump. Sheep numbers are also slightly down but a most potent factor in both these cases has been the strength of the market for fatstock.

In the case of sheep there was a steady demand for mutton right through the winter which tempted many farmers to sell the young potential breeding sheep—the ewe hoggs which they had intended to run right through the season until the summer sales. Much of this trade was of Continental origin and this in turn caused a substantial rise in the value of old ewes. This very strong trade for killing sheep still continues and many ewes which might have been saved for breeding another lamb are no longer there.

The sheep trade is still dominated by the French market, which is still open as it has been most of the winter. The price there at present is about 90p a pound, and English lamb has to bear a duty which this week is 37p a pound, plus the expenses of shipping it there. This has allowed exporters to pay about 52p a pound for lamb, about 10p above the U.K. guaranteed price of 42p.

However, the French market could be closed at any time if prices fall below about 86p per pound. This could cause in turn a serious fall in British prices which are extremely dependent on this overseas market.

The beef market has undoubtedly been materially affected by the increase in exports of both beef and cattle including calves. For the first four months of this year 46,000 tons of beef and veal were exported against 27,000 tons last year for the same period. Cattle exports had more than doubled from 40,000 head to 82,000. Practically all this trade is to the EEC and the effect of this coupled with the ban on imports of beef from third countries is certainly aggravating a tight situation.

Pig cycle

In fact it is only on the pig side that things are not looking quite so bright. The bacon price both to the consumer and to the farmer for his pigs is falling and the pork trade is showing signs of following suit. The outlook here is bearish. The breeding herd as evidenced by the number of young sows or gilts in pig is likely to rise substantially and to make matters worse the fall in sterling coupled with the levy on proteins as a result of the EEC milk policy to say nothing of increased grain prices is increasing costs and makes it look as though the pig cycle is turning downward.

All in all, the livestock industry is finely balanced. Sheep and cattle prices seem at the moment to have run ahead of inflation and according to some butchers are becoming beyond the British housewife's purse—a dangerous situation for the livestock farmer.

EEC bid to cut hops crop

BY ROBIN REEVES

BRUSSELS, June 10.

EEC HOP growers may be paid not to harvest part of their crop this year as a way of avoiding adding another commodity to the list of Common Market farm surpluses.

The Brussels Commission has proposed paying hop growers 1,200 units of account per hectare (nearly £300 an acre) left unharvested, on up to 10 per cent. of their total registered acreage. The Commission fears without such a move there will be a further build-up in surplus stocks—already some 35 per cent. above normal—and a mammoth deficiency payments bill.

The guaranteed price for hops differs according to variety but the average subsidy on last year's hops harvest works out at 316 units of account per hectare, compared with 295 in 1974. A major factor behind this increase was an expansion in the Community acreage from some 25,000 hectares in 1974 to 29,000 in 1975.

Recognising that the non-harvesting premiums may prove politically embarrassing, the Commission is making the aid conditional upon growers signing contracts to restructure their operations and, in particular, plant-approved varieties.

BRAZIL SIGNS COCOA PACT

Brazil and Trinidad and Tobago have signed the International Cocoa Agreement negotiated in Geneva in October last year, a spokesman for the International Cocoa Organisation (ICO) said, reports Reuter.

The new agreement is due to replace the present one on October 1 and so far 13 nations have signed.

Brazil is the second leading world producer to sign the agreement. Ghana was the first to sign in March.

Wool price rise hint

BASLE, June 10

THE CURRENT Australian wool floor price of 250 cents a kilo clean for micron 21 wool is little more in real terms than that of 1970-71 when many growers left the industry, Mr. Alf Maiden, the Australian Wool Corporation Chairman, told the International Wool Textile Organisation annual meeting here.

He said there is no doubt growers feel the present floor price is not enough. "We believe that we must pitch the floor price at a level which is satisfactory for the future of wool as well as being satisfactory as far as possible or the customer," be added.

Mr. Maiden said the Australian Government has not yet decided on the 1976/77 floor price and noted textile industry concern that growers should not push up prices too fast.

He was replying to proposals from a number of consuming countries at the meeting that the floor price should remain unchanged for the coming season.

German industry sources said the present level is acceptable but added the floor price should only be used as a device to avoid a material deterioration in values.

Reuter

POTATO CROP RISE LIKELY

Britain should have sufficient potatoes to meet its requirements from this year's crop, Mr. Edward Bishop, Minister of State for Agriculture, told the Commons yesterday.

Mr. Bishop said it was too early to make any firm estimate of production from this year's crop but the area planted was 6,000 hectares more than last year. Given normal yields, this should provide sufficient

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained ground on the London Metal Exchange. Forward metal opened at around £[illegible] in the pre-market and rose to £[illegible] on the morning kerb owing to the sharp rises in copper and silver in overnight U.S. markets and the performance of grain markets. In the afternoon, forward metal moved up to £[illegible] following the higher opening on Comex, but subsequently eased to £[illegible] on the kerb owing to profit-taking. Turnover 13,[illegible] tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at [illegible]. [illegible]

[illegible] metal up from £4,460 to £4,475 in morning dealings, but forward offerings believed to be on behalf of the buffer stock manager lowered the price to £4,470 on the afternoon kerb. Turnover 1,260 tonnes.

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

SILVER

[illegible]

RUBBER

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible]

[illegible] to Netherlands/Bilbao range at [illegible] f.i.o. for June and rails from Visagapatam to Alexandria at $35 liner terms for July. Fair interest was maintained in the time-charter sector and a vessel of 19,362 long d.w.t. was taken for a voyage from the U.S. Gulf to the Mediterranean at $5,000 daily, prompt, while a vessel of 75,400 long d.w.t. was booked for 12 months' trading commencing July at $2.15 for the [illegible]

Maize: No. 3 Yellow American/French June £74.50 transhipment East Coast.

Barley: EEC Feed June £74.50 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 73.00, Nov. 76.00, Jan. 78.65, March 81.10, May 83.40. Business: Sept. 73.50-72.55, Nov. 76.50-76.00, Jan. 79.50-78.40, March 81.60-80.55, May 83.65-82.90. Total sales: [illegible]

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

JUTE

[illegible]

WOOL FUTURES

LONDON—The market was initially higher on aggressive buying in very active trading, but towards the close the gains were pared, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's close	+ or —	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 10 1976	+ or —	Month ago
Metals			
Aluminium	£456	......	£456
Free Market (cif)	£466-510	......	£466-476
Copper			
Cash Wire Bars	£858.25	+ 8.75	£835.25
[illegible]	[illegible]	[illegible]	£862.2
[illegible]	[illegible]	[illegible]	£828.25
[illegible]	[illegible]	[illegible]	£855.5
[illegible]	[illegible]	[illegible]	$128.125
[illegible]	[illegible]	[illegible]	£276.75
[illegible]	[illegible]	[illegible]	£287.25
[illegible]	[illegible]	[illegible]	£3,542.5
[illegible]	[illegible]	[illegible]	52.05-.02
[illegible]	[illegible]	[illegible]	£86.91
[illegible]	[illegible]	[illegible]	£85.35
[illegible]	[illegible]	[illegible]	588.92
[illegible]	[illegible]	[illegible]	446.8p
[illegible]	[illegible]	[illegible]	452.9p
[illegible]	[illegible]	[illegible]	£4,085
[illegible]	[illegible]	[illegible]	£4,189
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	£456.75
[illegible]	[illegible]	[illegible]	£452.75
[illegible]	[illegible]	[illegible]	$735
Oils			
[illegible]	[illegible]	[illegible]	£585
[illegible]	[illegible]	[illegible]	£395
[illegible]	[illegible]	[illegible]	£192
Seeds			
[illegible]	[illegible]	[illegible]	$215
[illegible]	[illegible]	[illegible]	£174.5
Grains			
[illegible]	[illegible]	[illegible]	£71.75
[illegible]	[illegible]	[illegible]	£71.95
[illegible]	[illegible]	[illegible]	£73
[illegible]	[illegible]	[illegible]	£80.6
[illegible]	[illegible]	[illegible]	£78
Other commodities			
[illegible]	[illegible]	[illegible]	£1,125
[illegible]	[illegible]	[illegible]	£1,059.5
[illegible]	[illegible]	[illegible]	£1,427
[illegible]	[illegible]	[illegible]	69.55
[illegible]	[illegible]	[illegible]	£216
[illegible]	[illegible]	[illegible]	45p
[illegible]	[illegible]	[illegible]	$600
[illegible]	[illegible]	[illegible]	£198
[illegible]	[illegible]	[illegible]	252p
[illegible]	[illegible]	[illegible]	£5,100
[illegible]	[illegible]	[illegible]	£1,080
[illegible]	[illegible]	[illegible]	£885

[illegible]

FINANCIAL TIMES

June 10	June 9	Month ago	Year ago
[illegible]	[illegible]	[illegible]	[illegible]

(Base: July 1, 1952=100)

REUTER'S

June 10	June 9	Month ago	Year ago
1512.2	1500.5	1438.6	1062.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	June 10	June 9	Month ago	Year ago
Spot	[illegible]	[illegible]	[illegible]	264 78
Futures	[illegible]	[illegible]	[illegible]	242 63

(Average 1924-25-26=100)

MOODY'S

Moody's	June 10	June 9	Month ago	Year ago
Spl Comm	[illegible]	[illegible]	[illegible]	701.4

(December 31, 1931=100)

COTTON—Liverpool. Spot and shipment sales amounted to [illegible] tonnes, bring[ing] the total for the week to [illegible] tonnes, reports F. W. Tattersall. Activity remained in few hands and buyers again tended to resist the prices quoted. Modest contracts for distant delivery were under review in Middle Eastern types.

U.S. Markets

Coffee and soyabeans rise again

NEW YORK, June 10.

SILVER rallied on Commission House buying in sympathy with grains. Copper finished steady on speculative buying following news of Zambian troops moving into Rhodesia. Soyabeans closed limit-up and other grains were higher due to the drought conditions in many growing areas. Coffee finished limit-bid on continued chartist buying and higher cash prices, Bache reports.

Cocoa—Ghana spot 110 (111 nom.), Bahia spot 103 (106 nom.), July 97.50 (99.00), Sept. 92.20 (93.00), Dec. 82.00, March 77.60, May 74.35, July 71.48 (72.68), Sept. 69.15. Sales: 1,655.

Coffee—"C" Contract: July 146.10 bid (143.10), Sept. 148.38 bid (145.38), Dec. 145.63 bid, March 139.00, May 137.80-135.00. Sales: 693.

Copper—June 70.00 (68.70), July 70.40 (69.10), Aug. 70.90, Sept. 71.40, Dec. 73.10 settlements. Sales: 5,575 lots.

Cotton—No. 2: July 77.75 bid (75.75), Oct. 75.11 (76.11), Dec. 76.70 bid, March 76.40 bid, May 76.10 bid, July 73.82 bid, Oct. 69.90 asked. Sales: 3,050.

†Gold—June 126.70 (126.90), July 127.20 (127.50), Aug. 127.80, Oct. 129.30, Dec. 131.00, Feb. 132.70, April 134.30, June 135.90, Aug. 137.50, Oct. 139.10 settlements. Sales: 4,951 lots.

Greasewool—Spot 160.0 nom. (same). July 177.0 bid (177.0), Oct. 180.0-[illegible] (179.0-181.5), Dec. 179.0 bid, March 179.0 bid, May unquoted.

*Lard—Chicago loose 16.50 nom. (16.25 nom.). NY prime steam 16.50 asked (15.25 asked).

††Maize—July 309½-303½ (304-306), Sept. 300½-300½ (295½-297), Dec. 290-2-9½, March 297½, May 302-301½.

‡Platinum—July 171.20 (170.[illegible]), Oct. 175.00 (174.50), Jan. 178.70, April 182.70, July 186.00, Oct. 188.50. Sales: 564 lots.

‡‡Silver—Spot 492.80 (484.00), June 490.70 (484.10), July 492.00 (485.50), Aug. 494.10, Sept. 496.10, Dec. 503.80, Jan. 506.40, March 511.60, May 517.00, July 522.50, Sept. 528.10 settlements. Sales: 26,660 lots.

*Soyabeans—July 647½ bid (627½), Aug. 651½ bid (631½), Sept. 654½ bid, Nov. 661½ bid, Jan. 666½ bid, March 673½ bid, May 678½ bid, July 682 bid.

ASoyabean Meal—July 202.00-201.00 (193.00), Aug. 201.00-200.50 (192.20), Sept. 200.00-199.50, Oct. 19[illegible].20-19[illegible].50, Dec. 198.00-197.00, Jan. 198.00-197.50, March 197.50-196.50, May 196.50.

Soyabean Oil—July 18.85-18.75 (17.95), Aug. 19.00-19.00 (18.12), Sept. 19.10-19.15, Oct. 19.35, Dec. 19.60-19.65, Jan. 19.70, March 19.75-19.55, May 19.85-19.90, July 20.05.

Sugar—No. 11 Spot 12.65 (12.75), July 12.65-12.60 (12.55-12.50), Sept. 13.16-13.14 (12.12-13.09), Oct. 13.45-13.35, Jan. 13.54 nom., March 13.65-13.60, May 13.65-13.65, July 13.71 nom., Sept. 13.72 nom., Oct. 13.75-13.75. Sales: 5,265.

Tin—355.00-358.00 asked (354.00).

**Wheat—July 382-380 (370-373), Sept. 391-390 (358-337), Dec. 401-402, March 412½.

WINNIPEG, June 10. ††Rye—July 285½ (282 bid), Oct. 287-287½ (282), Nov. 285 bid, Dec. 285.

cOats—July 167½ bid (166½), Oct. 168½ asked (167), Dec. 169 asked.

§Barley—July 232 (same), Oct. 231 asked (229½-230), Dec. 230.

dFlaxseed—July 725 bid (718 bid), Oct. 742 asked (726), Nov. 743 asked, Dec. 741 bid.

Wheat—SCWRS 13.5 per cent protein content St. Lawrence 457½ (452½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † $'s per troy ounce—100-ounce lots. ‡ Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. A New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.5 per cent purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Equities drift lower as fund-raising rumours persist

Share index down 5 points at 374.2—Golds advance

Account Dealing Dates
Option

*First dealings	Declarations	Last dealings	Account day
Jun. 1	Jun. 10	Jun. 11	Jun. 22
Jun. 14	Jun. 24	Jun. 25	July 6
Jun. 28	July 8	July 9	July 20

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets remained in a state of torpor yesterday, with prices drifting lower again on a few scattered offerings and lack of support. Continuing talk of a large cash raising issue in the pipeline dampened potential buying enthusiasm and, after an early half-hearted attempt to go better, leading industrials gave ground. What little selling there was took place in the morning, this being reflected in the FT 30-share index which recorded a loss of 4.8 at 11 am. However, the fall was extended a little further and the index closed 5 points down on the day at 374.2, for a two-day reaction of 10.2. The paucity of business was mirrored in official markings of 4,385, which were only slightly above Wednesday's lowest for the year total of 4,229.

British Funds fared little better than equities in the way of activity and final quotations were mostly small and irregular. The Government Securities index was barely altered at 62.31. Lists open and close to-day for the £800m. of new long "tap" stock in which dealings are due to start on Monday.

Among the day's main features on company trading statements, Guthrie Corporation stood out with a fall of 18 to 170p, after 165p, on the reduced profits and dividend. Falls were in a majority over rises by 15-8 in FT-quoted Industrials, while the FT-Actuaries All-Share Index gave up 0.9 per cent. to 155.41.

Despite a small fall of 50 cents to $126.625 per ounce in the bullion price, Gold Mining shares encountered U.S. and Continental demand and the Gold Mines Index advanced 11.2 to 197.0.

Gilts listless

Continuing tight credit conditions in money markets accompanied the appearance of loose stock, particularly of the short "tap" Treasury 9¾ per cent., 1981, which was reactivated by the Government broker earlier in the week at some 3½ points below the previous operational level: after reacting to 91½, the price rallied to close a net ½ down at 92. Features otherwise in short-dated British Funds were few and far between, but small demand brought rises extending to ¼ in selected low-coupon shorts. For most of the day, medium and longer maturities held steady but just before the close they drifted ¼ lower throughout the list.

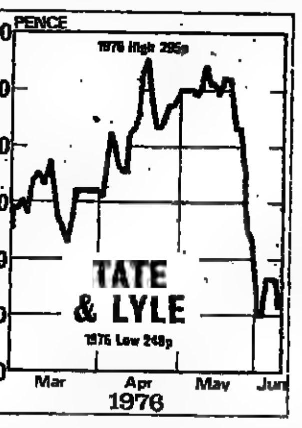
Sunderland and South Shields Water 8 per cent Preference, 1981, which was oversubscribed, made its debut in £10-paid form and closed at £10¼.

The upturn in the investment currency premium continued largely owing to the efforts of one buyer, although institutional interest was also evident: the closing rate of 118¾ per cent. was the day's highest and 3 points up on the previous close. Yesterday's SE conversion factor was 0.6785 (0.6796).

Merchant Banks sold

Nervously sold on Wednesday following rumours of a pending rights issue from National Westminster, the big four Banks continued to drift down on sporadic small offerings and lack of support. National Westminster, however, bolstered by Wednesday's late denial of any imminent fund raising plans slipped down to 212p but recovered to close unaltered at 215p. Midland were not so resilient and fell 8 to 257p, while Lloyds gave up 3 to 212p and Barclays 2 to 280p. Persistent small selling in generally thin markets took its toll on the Merchant Banks sector, which closed with widespread losses. Schroders lost 20 to 310p and Arbuthnot Latham fell 15 to 145p while Hambros receded 7 to 170p and Keyser Ullmann declined 4 to 31p, after 30p.

To the accompaniment of fresh



adverse rumour, Composite Insurances receded further, Sun Alliance shed 5 to 378p and "Royals" declined 4 to 266p making a fall on the week so far of 18. Brokers were also dull with C. E. Heath down 8 more to 396p. By way of contrast, Taisho Marine rose 48 to 793p.

Breweries and kindred trades displayed an easier bias. Whitbread, however, held steady at 65p in front of to-day's results. Press comment on a bullish broker's circular failed to bolster Distillers, which closed a shade off at 142½p.

Buildings were friendless and closed easier for choice. AP Cement lost 3 more to 154p for a two-day decline of 7, while losses of 4 and 5 respectively were seen in Newarthill, 52p, and Leonard Fairclough, 182p. Tunnel "B" gave up 2 to 168p after the results, while A. Gunn receded 3 to 50p on the loss. In front of to-day's preliminary results, UBM eased a shade to 54p.

ICI passed another quiet session, drifting down to close 2 cheaper at 358p, after 357p in Chemicals. Laporte Industries ended a penny off at 97p after the chairman's AGM address. Allied Colloids, on the other hand, found support at 106p, up 5, as did Hoechst at 495p, up 8.

An isolated firm feature in Cinemas were Howard and Wyndham, which improved 2½ to 14p on small buying in a thin market.

Philips' Lamp rise

Electrical leaders continued to lack interest and closed modestly easier. However, Philips' Lamp were a bright exception on Amsterdam suport, recording a rise of 33 at 933p. Reyrolle Parsons receded 4 to 110p, although Thorn Electrical, after reacting to 224p, finished just 2 softer on the day at 228p. GEC, 149p, after 147p, and EMI, 237p, also showed losses of 2, while Plessey shed another penny to 71p. Elsewhere, Petbow, a dull spot of late on the results, came back 3 further to 161p, while Electronic Rentals, also on preliminary figures, eased 2 to 58p.

Store leaders gave a little ground during another idle trading session. Apart from British Home Stores, 7 down at 346p, losses were limited to 2, as in Marks and Spencer, 90p, UDS, 73p, and Debenhams, 80p. Elsewhere, H. Samuel "A" recovered 5 further to 133p, but W. H. Smith "A" drifted down 6 to 344p, while losses of 2 were registered in Audiotronic, 42p, and Allied Retailers, 96p. Empire Stores shed 2 to 85p among Mail Orders.

Tube Investments moved lower to 332p, down 6, and most other leading Engineerings followed, GKN closing 4 off at 311p and Hawker a like amount easier at 440p. 600 Group sustained a sizeable loss on the "rights" issue and reduced profits, falling to 66p before ending a net 6½ down at 67p. Sharply lower earnings also affected A. Cohen, which fell 10 to 110p, but Weyburn rose 6 to 284p in reply to the proposed German acquisition. The higher profits forecast contained in the interim report put Westland up 1 to 39p and James Neill were 2 dearer at 72p following the chairman's remarks at the annual meeting. Elsewhere, revived rumours concerning the Davy International stake encouraged support of British Rollmakers, 2 up at 44½p, while R. Cartwright gained 3 to 38p and L. Gardner 4 to 102p.

Market conditions militated against a favourable reception of the satisfactory interim figures from Tate and Lyle and the close was 5 lower at 251p. Other changes in Foods were insignificant apart from Linfood, which were adjusted down 5 to 185p. Cadbury Schweppes eased ½ to 47½p despite the higher first-half profits forecast. Hotels drifted back and Trust Houses Forte ended 2 cheaper at 81p. News of the dividend omission and reduced earnings made no impression on Queens Moat Houses, unchanged at 6p.

Reed Intl. retreat

Miscellaneous Industrial leaders were inclined to weaken in thin trading. Reed International were unsettled by talk of a possible "rights" offer and closed at the day's worst of 255p, down 9, despite a reported denial. Reflecting some nervousness in front of to-day's annual results, Pilkington receded to 315p before ending a net 5 cheaper at 320p, while Metal Box lost 5 more to 264p on further profit-taking following the recent rise on the results. A modest amount of small selling was sufficient to lower Unilever 10 to 458p, while Turner and Newall cheapened 5 to 135p, Rank Organisation 4 to 165p, and Boots 3 to 120p. However, Beecham, 375p, and Glaxo, 387p, held the previous night's closing levels. The Australian Broken Hill Proprietary made a bright showing, rising to a year's peak of 820p before ending a net 10 better at 805p, on rumours of an impending cut in Australian bank rates. The South African Barlow Rand were also in firm fettle, adding 7 at 200p. Elsewhere, Pauls and Whites responded to the profits advance with a gain of 3 at 64p, while renewed speculative interest left Development Securities 10 higher at 205p. Ozalid, reflecting the sharp profits setback, lost 4 more to 115p. Camrex, 41p, relinquished 2½ of the previous day's improvement of 3½ which followed the chairman's encouraging statement at the annual meeting, while Charrington Gardner Locket, 32p, lost half of Wednesday's gain of 3 which reflected the increased profits.

The higher profits and increased dividend from Airflow Streamlines outweighed the chairman's rather cautious statement on prospects and the shares advanced 4½ to 31½p. Elsewhere in Motors and Distributors, Dunlop were a nervous market on rumours of a pending "rights" offer and fell 3 to 77p. Lucas Industries gave up 4 more to 200p, but Dutton Forshaw were favoured at 25p, up 2, in anticipation of the chairman's annual review and a good Press report.

Thomson Organisation, 242p, and Associated Newspapers, 93p, were included among occasional small losses of 2 in the sector. Elsewhere, Lowe and Brydone revived with a gain of 3 to 33p, while Eucalyptus Pulp picked up 2 to 45p.

Royal Dutch up

With the exception of Royal Dutch, which rose 1¼ to £39¾ on investment dollar and overseas influences, the Oil market was devoid of any real interest. Lingering fears of a "rights" issue were solely responsible for a fresh early decline in Shell, down to 426p before a close of only 2 easier on balance at 430p. British Petroleum, after 607p, reverted to the overnight level of 613p, while Burmah hardened 1 late to 42p. Adverse comment took its toll on Siebens (U.K.), 20 lower at 150p, but domestic market advices lifted Woodside-Burmah 3 to 83p.

Business remained extremely thin in leading Properties, which softened a little. MEPC gave up 3 more to 64p, while Land Securities, awaiting next Wednesday's results, lost a penny to 152p. British Land, 26p, and Slough Estates, 71p, both shed 1½. Elsewhere, Lynton Holdings resisted the easier trend and improved 3 further to 74p, but the "after-hours" preliminary statement caused Berkeley Hambro to react 2 to 113p. Evans of Leeds, with annual figures due to be announced on June 22, slipped 3 to 60p.

Overseas Traders showed no decided trend. Ocean Wilsons were in firm vein at 124p, up 5, on further consideration of the results. S. and W. Berisford, with first-half results expected June 24, declined 4 to 157p.

Trusts and Financials moved in no set direction. Buyers returned for Lampa Securities, which rose 7 to 95p, but stockjobbers Akroyd and Smithers gave up 5 to 190p, seemingly disappointed at the current low level of stock market activity. Estates House and Border and Southern, both declined 4 to the common level of 195p. Tokengate Investments, 52p, were suspended at the company's request following the passing of the restructuring plans proposed last month.

Shippings lacked support and eased throughout. Walker Runciman shed 7 to 100p and P. and O. Deferred lost a penny more to 105p.

Small selling and lack of support left Courtaulds a fresh 3 lower at 131p, after 129p in irregular Textiles. In front of to-day's results, Highams lost the turn to 27p but, reflecting the return to profitability, Victoria Carpet edged forward 2 to 19p. The Tobacco majors continued to give ground on lack of buying interest. Bats gave up 2 more to 368p, after 366p and Imps were a shade off at 72½p.

A generally firm South African Industrial sector was featured by gains of 30 and 25 respectively in Tiger Oats, 560p, and O.K. Bazaars, 515p.

Lower preliminary profits and a reduced dividend payment depressed Guthrie, which ran back from a firm level of 190p to touch 165p before closing the day 18 down on balance at 170p.

Golds advance

South African Gold shares continued to move sharply higher despite the modest decline in the bullion price which was finally 50 cents down at $126.625 per ounce.

General satisfaction with the recent dividend announcements, technical arbitrage considerations and U.S. and Continental buying in a market short of stock caused jobbers to raise share prices, although they eased a shade in late dealings owing to modest profit-taking. The Gold Mines index rose a further 11.2 to 197.0—its highest level since March 16 and a three-day gain of 20.4.

Among the heavyweight issues, West Driefontein advanced £1½ to £27, while rises of a point were registered by Free State Geduld (£15¾) and Western Holdings (£20¾). Of the gold-uraniums, Vaal Reefs also put on a point to £17¾; the disappointing interim dividend was announced after hours.

In the lower-priced stocks, Doornfontein jumped 60 to ... and Southvaal were 45 higher at 645p.

Overseas-based Financials mirrored Golds, although business was at a low level. Anglo-American and Union Corporation were both 15 higher at the common price of 320p, while "Amgold" gained another 30 at 520p reflecting Cape buying. U.S. interest left De Beers 11 up at 239p. In London-based issues, Charter, the most actively traded stock on the London Exchange, put on 4 to 169p, after 172p, while Gold Fields rose 6 to 182p.

Coppers and Platinums generally improved owing to the rise in the arbitrage rate and premium. Platinums were also helped by the Rustenburg metal price increase. In firmer Tins, ... (107p up 7), Ayer Hitam (2... 5) and Sungei Besi (42p ...) gained ground following change of domicile news. London Tin hardened to 172p on the news that the way has now been cleared for the take-over by Malaysia Pernas.

Australians moved ahead reflecting the trend in overnight home markets. Elsewhere, Murchison gained 30 to 890p on Cape buying.

FINANCIAL TIMES STOCK INDICES

—	June 10	June 9	June 8	June 7	June 4	June 3	A year ago
Government Secs.	62.31	62.32	62.30	61.67	61.38	61.00	[illegible]
Fixed Interest	61.77	61.69	61.59	61.40	61.27	60.78	[illegible]
Industrial Ordinary	374.2	379.2	384.4	383.0	378.5	367.1	[illegible]
Gold Mines	197.0	185.8	182.7	176.6	178.8	186.0	[illegible]
Ord. Div. Yield	5.72	5.65	5.59	5.62	5.68	5.84	[illegible]
Earnings Y'ld % (full)(a)	16.25	16.07	15.89	15.97	16.14	16.60	[illegible]
P/E Ratio (net) (a) (b)	9.12	9.22	9.32	9.28	9.18	8.93	[illegible]
Dealings marked	4,385	4,229	5,335	5,482	5,895	6,083	[illegible]
Equity turnover £m.	—	41.38	66.54	60.26	57.39	65.69	[illegible]
Equity bargains total	—	10,317	14,276	12,849	16,184	17,465	[illegible]

10 a.m. 377.8. 11 a.m. 374.4. Noon 374.5. 1 p.m. 374.6. 2 p.m. 374.5. 3 p.m. 374.4.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.04.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 10	June 9
Daily—		
Gilt-Edged	139.1	[illegible]
Industrials	147.1	[illegible]
Speculative	45.0	[illegible]
Totals	99.8	[illegible]
5-day Av'r'ge.		
Gilt-Edged	160.7	[illegible]
Industrials	177.1	[illegible]
Speculative	40.5	[illegible]
Totals	115.5	[illegible]

SE honours Lord Ritchie

THE Stock Exchange Council has made a cash gift to the All England Lawn Tennis and Croquet Club as a tribute to Lord Ritchie for his long and outstanding services to the exchange.

The money will be put towards a lawn tennis library to be known as The Ritchie Library.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Thursday, June 10, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Nil) (Corp. Tax 52%)	Wed. June 9 Index No.	Tuesday June 8 Index No.	Monday June 7 Index No.	Friday June 4 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	143.07	−1.0	15.98	6.25	9.41	9.62	145.47	145.07	142.37	142.22	119.58	160.06 (21/4)	137.18 (2/6)	206.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (30)	126.52	−1.9	14.07	7.24	10.76	10.76	128.70	130.11	127.32	127.25	101.02	150.18 (15/1)	125.78 (2/6)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	196.04	−1.1	18.78	5.55	8.56	8.36	198.28	201.27	198.45	196.27	223.42	260.20 (15/1)	193.00 (2/6)	389.55 (19/5/72)	71.48 (2/12/74)
4 Electricals (16)	255.69	−0.9	16.09	4.05	9.18	8.91	257.97	261.10	255.59	256.66	214.88	287.50 (21/4)	245.72 (2/6)	350.04 (4/5/72)	86.71 (25/6/62)
5 Engineering (Heavy) (13)	171.99	−0.7	23.12	7.05	6.76	6.75	173.19	176.27	171.31	171.85	142.54	195.16 (5/5)	161.88 (2/6)	202.57 (6/6/75)	94.45 (1/2/76)
6 Engineering (General) (63)	133.13	−0.7	15.98	6.59	9.28	9.27	134.12	135.66	133.44	133.22	106.14	149.29 (5/5)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7 Machine and Other Tools (9)	54.05	−0.3	14.00	7.40	12.75	12.72	54.17	54.16	53.72	53.86	42.41	60.62 (5/5)	51.19 (5/1)	136.70 (4/7/68)	19.96 (1/1/74)
8 Miscellaneous (25)	128.98	−0.5	14.89	6.61	10.46	10.15	129.64	130.04	127.80	127.15	111.91	141.94 (11/5)	121.53 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (53)	124.08	−1.4	16.67	5.55	8.90	8.94	125.85	126.61	123.70	125.02	88.62	141.46 (21/4)	116.86 (2/6)	227.78 (31/4/72)	68.39 (6/1/75)
10 Lt. Electronics, Radio TV (15)	137.52	−1.5	14.45	3.96	10.18	10.16	139.54	140.27	136.64	136.18	97.11	160.35 (7/4)	128.75 (2/6)	257.41 (19/5/72)	42.86 (12/12/74)
11 Household Goods (13)	166.99	−1.0	16.58	6.96	8.27	8.25	168.74	168.92	167.75	166.89	134.45	187.22 (7/4)	162.00 (2/6)	263.32 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (25)	75.97	−1.5	12.48	6.90	7.77	7.74	77.11	77.80	75.74	75.23	47.04	85.16 (3/5)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	144.40	−1.0	14.60	6.29	10.40	10.31	145.86	146.81	144.23	144.52	134.80	162.24 (4/2)	138.95 (2/6)	226.08 (16/5/72)	61.41 (13/12/74)
14 Breweries (15)	154.56	−0.8	14.85	7.14	10.11	10.11	155.79	156.61	152.91	152.92	150.27	179.43 (2/3)	147.99 (2/6)	261.87 (2/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	173.79	−0.3	10.94	5.62	13.98	13.98	174.38	175.97	176.95	174.31	159.94	190.67 (5/5)	169.90 (2/6)	257.40 (13/7/72)	78.71 (13/12/74)
16 Entertainment, Catering (14)	169.57	−1.1	14.53	7.76	10.77	10.67	171.40	172.78	168.46	168.28	143.09	211.36 (8/3)	158.17 (2/6)	329.99 (12/12/72)	54.87 (13/7/74)
17 Food Manufacturing (22)	163.27	−1.2	15.49	5.31	9.85	9.79	165.27	167.02	165.68	163.43	145.57	179.44 (11/5)	157.25 (2/6)	211.68 (1/5/72)	59.78 (11/12/74)
18 Food Retailing (16)	132.62	−1.1	12.88	5.61	11.52	11.32	134.04	136.07	132.86	133.71	134.67	150.05 (12/1)	126.86 (2/6)	236.08 (10/8/72)	54.25 (11/12/74)
19 Newspapers, Publishing (16)	164.90	−0.8	12.40	5.55	12.39	12.39	166.20	165.38	161.08	161.65	140.21	184.34 (11/3)	157.01 (2/6)	250.29 (12/1/72)	55.08 (6/1/75)
20 Packaging and Paper (12)	99.71	−1.3	16.66	7.61	9.22	9.22	100.92	101.97	98.41	98.77	96.57	112.50 (26/2)	94.92 (2/6)	155.69 (29/4/72)	43.46 (6/1/75)
21 Stores (34)	116.84	−1.2	15.29	5.91	11.58	11.57	118.20	118.41	116.90	117.17	120.77	136.24 (2/5)	115.17 (2/6)	204.59 (18/5/72)	52.63 (6/1/75)
22 Textiles (23)	148.32	−2.2	10.01	7.70	14.55	12.72	151.71	153.51	149.18	150.71	132.09	183.19 (30/1)	141.90 (2/6)	253.72 (17/3/69)	62.66 (11/12/74)
23 Tobaccos (3)	219.61	−0.2	19.85	5.46	7.68	7.68	219.99	221.86	219.05	220.63	184.26	241.89 (3/5)	211.56 (7/7)	339.16 (2/8/72)	94.34 (13/6/62)
24 Toys and Games (6)	71.39	−0.9	20.27	7.71	6.86	6.86	72.00	72.33	69.55	68.78	40.65	78.73 (11/5)	59.13 (22/1)	135.72 (15/1/70)	20.92 (6/1/75)
OTHER GROUPS (96)															
25 Chemicals (26)	213.56	−0.3	11.71	5.26	11.87	11.87	213.21	213.52	209.91	209.88	176.51	231.38 (5/5)	199.45 (6/1)	231.38 (5/5/76)	71.20 (1/12/74)
26 Office Equipment (9)	92.93	−1.8	12.81	5.50	11.36	11.35	94.62	96.15	93.14	92.67	86.74	100.16 (18/5)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	369.81	−1.2	14.84	7.01	9.55	8.63	374.13	378.26	369.21	369.85	343.30	432.64 (30/1)	355.52 (19/5)	517.00 (5/12/72)	90.80 (29/6/62)
28 Miscellaneous (49)	155.61	−1.0	14.34	7.10	10.42	10.41	157.10	158.54	156.47	155.51	139.90	172.98 (21/4)	148.45 (2/6)	258.83 (2/5/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	149.88	−0.9	14.54	6.13	10.25	10.16	151.22	152.29	149.48	149.82	131.84	165.58 (5/5)	145.68 (2/6)	230.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	361.77	−0.2	11.83	4.53	9.77	9.06	362.64	370.41	372.52	370.36	280.95	395.84 (20/5)	331.34 (16/2)	431.68 (29/3/69)	87.23 (29/5/62)
31 500 SHARE INDEX	167.23	−0.8	14.10	5.87	10.17	9.96	168.51	170.19	167.72	167.59	144.82	183.00 (5/5)	161.90 (2/6)	227.95 (16/7/72)	65.49 (13/12/74)
32 FINANCIAL GROUP (100)	121.71	−1.1	—	6.07	—	—	123.04	125.42	123.90	123.48	137.65	153.46 (30/1)	118.52 (2/6)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	150.64	−1.1	20.56	5.62	7.48	7.48	152.25	154.59	155.36	155.73	167.35	192.16 (29/1)	146.58 (2/6)	286.32 (25/7/72)	62.44 (12/12/74)
34 Discount Houses (10)	154.88	—	—	5.93	—	—	154.88	155.50	148.56	148.10	149.19	188.52 (15/1)	147.90 (2/6)	293.13 (2/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	92.68	−0.9	—	6.99	—	—	93.53	94.35	95.12	93.96	87.87	132.10 (26/3)	90.50 (2/6)	433.72 (4/5/72)	38.83 (11/12/74)
36 Insurance (Life) (9)	101.15	−0.2	—	7.06	—	—	101.31	105.95	100.84	100.94	110.41	129.46 (5/1)	96.91 (2/6)	194.46 (15/5/72)	44.83 (2/1/75)
37 Insurance (Composite) (7)	92.03	−1.1	—	7.65	—	—	93.03	96.25	95.46	95.76	112.04	119.75 (30/1)	92.03 (10/6)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance (Brokers) (9)	244.87	−1.9	10.06	4.02	14.67	14.67	249.56	253.96	249.86	246.62	198.28	276.90 (11/5)	218.26 (5/1)	276.90 (11/5/76)	65.86 (16/12/74)
39 Merchant Banks (16)	72.66	−2.6	—	7.69	—	—	74.60	75.21	72.53	71.85	86.50	93.83 (27/1)	69.72 (2/6)	378.57 (1/5/72)	31.21 (7/1/75)
40 Property (32)	150.68	−1.0	3.53	3.37	49.67	50.31	152.23	155.18	149.19	149.17	183.27	194.57 (30/1)	144.37 (2/6)	357.40 (3/11/73)	56.01 (20/4/65)
41 Miscellaneous (6)	73.19	+0.1	17.86	8.16	8.77	8.77	73.11	73.24	73.51	72.75	72.84	91.98 (3/2)	69.63 (2/6)	503.13 (8/5/72)	33.29 (17/12/74)
42 Investment Trusts (50)	146.71	−1.1	5.69	5.09	29.04	29.03	148.29	148.45	146.73	146.41	166.95	184.55 (30/1)	141.96 (2/6)	245.79 (5/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	155.41	−0.9	—	5.87	—	—	156.77	158.44	156.25	156.03	143.21	172.64 (30/1)	150.59 (2/6)	228.18 (16/72)	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	479.35	−3.4	12.43	7.11	12.15	11.96	496.28	495.91	493.56	490.06	454.66	523.40	404.67	555.37	84.68
45 Teas (8)	138.05	+1.2	30.52	8.58	4.45	4.30	136.84	136.44	135.64	134.24	96.72	140.44	117.69	142.44	59.72
46 Coppers (3)	262.62	−7.6	37.63	6.64	2.66	2.66	244.03	258.50	232.00	233.41	403.36	[illegible]	[illegible]	[illegible]	[illegible]
47 Mining Finance (11)	111.13	+1.7	9.40	4.54	11.93	11.84	109.28	108.12	107.47	107.89	154.19	[illegible]	[illegible]	[illegible]	[illegible]
48 Tins (8)	113.51	+2.8	11.57	8.00	13.20	12.83	110.18	110.42	108.99	104.23	105.12	[illegible]	[illegible]	[illegible]	[illegible]
49 Overseas Traders (13)	250.96	−0.6	14.59	4.48	9.09	9.04	252.11	253.66	229.23	228.46	218.20	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST	Thursday, June 10 Index No.	Yield %	Wed. June 9	Tuesday June 8	Monday June 7	Friday June 4	Thurs. June 3	Wed. June 2	Tuesday June 1	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.05	14.05	14.04	14.04	14.12	14.21	14.31	14.10	14.80	—	—	—	—
2 20-yr. Govt. Stocks (6)	48.85	†15.52	48.96	48.96	48.76	48.53	48.26	47.82	48.60	46.65	53.45	47.56	113.42	35.27
3 20-yr. Red. Deb. & Loans (15)	50.66	†14.59	50.66	50.56	50.37	50.38	50.53	50.53	51.18	45.77	52.40	46.66	113.45	37.01
4 Investment Trust Prefs. (15)	47.30	14.63	46.93	46.88	45.43	46.64	46.64	46.48	41.87	[illegible]	51.23	45.43	114.25	[illegible]
5 Coml. and Indl. Prefs. (20)	65.58	14.56	64.98	64.89	64.41	64.23	63.54	65.76	64.86	58.51	71.97	62.76	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering (Heavy)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Engineering (General)	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	16/1/70	144.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			
Food Retailing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p. By post 20p.

A record of the indices, cost £28, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

NAME CHANGE: J. Coral has changed its name to Coral Leisure Group.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Charter Cons	25p	14	169	+ 4	199	118
Shell Transport	25p	10	430	− 2	462	378
Beecham	25p	8	375	—	390	330
GKN	£1	8	311	− 4	360	266
ICI	£1	8	358	− 2	402	328
Midland Bank	£1	8	257	− 8	320	250
Reed Internationl.	£1	8	255	− 9	288	246
"Bats"	25p	7	368	− 2	410	342
BP	£1	7	613	—	685	575
Commercl. Union	25p	7	109	− 1	138	106
Dunlop	50p	7	77	− 3	98	69
W. Mining "New"	Nil pd.	7	54*	+ 1	54*	38*
Courtaulds	25p	6	131	− 3	169	125
Distillers	50p	6	142½	− ½	158	139
Eng. China Clays	25p	6	85	− 3	101	67½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14
Jun. 22	July 5	Sep. 16	Sep. 28

"Calls" were transacted in Dunlop, Pearl Assurance, British Petroleum, Lonrho, Burmah Oil, Tricentrol, Ladbroke Warrants and Shell Transport. No "puts" were recorded, but double options were arranged in Ladbroke Warrants and Burmah Oil.

Industrials					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (15)

BRITISH FUNDS (1)
Transvt. 4pc 1972-77
FOREIGN BONDS (1)
German Yng. 4½pc
INDUSTRIALS (3)
Broken Hill Prop. Slingsby (R.)
Polymark
MOTORS (1)
Airflow Streamlines
TRUSTS (1)
Icelund
MINES (8)
Randfontein Est. ... Union Plat. ... Waterval ... Metals Explor. ... Tronoh

NEW LOWS (31)

BANKS (2)
Arbuthnot Latham Keyser Ullmann
BEERS (1)
City London
BUILDINGS (10)
Assoc. P. Cement ... Downing (G. H.) ... Fairclough ... Gunn (A.) ... Hewden Stwt. ... Tilbury Contracting
CHEMICALS (2)
Carless Capel Catalin
ELECTRICALS (1)
Perkin-Elmer
INDUSTRIALS (4)
AVP Inds. MAM ...
INSURANCE (4)
Comml. Union Gen. Accident Eagle Star ...
SHIPPING (2)
Pearson Smith 'A' Runciman (W.)
TRUSTS (4)
Can. and Foreign Inv. ... Secs. Tst. Scot. New Bridge

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	37	14
Corpns. Dom. and Foreign Bonds	[illegible]	1	46
Industrials	[illegible]	388	1,114
Financial and Prop.	[illegible]	208	323
Oils	[illegible]	5	24
Plantation	[illegible]	2	37
Mines	[illegible]	4	40
Recent Issues	[illegible]	15	35
Totals	[illegible]	660	1,634

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance. They bought an extremely large amount of Treasury bills from the discount houses and lent a large amount, overnight to seven or eight houses, at Bank of England Minimum Lending Rate. Banks carried forward very heavily run-down balances from Wednesday, settlement was made of official gilt-edged sales, and the market was also faced with a net take-up of Treasury bills to finance. On the other hand Government disbursements exceeded revenue payments to the Exchequer, and there was a fall in the note circulation.

Discount houses paid around 10½ per cent. for secured call loans in the early part, and closing balances were taken within a wide range of 8-11 per cent.

Short-term fixed period interest rates were slightly firmer in general. Discount houses buying rates for three-month Treasury bills were quoted at 10½ per cent. compared with 10⅛-10½ per cent. previously.

Rates in the table below are nominal in some cases.

June 10 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury Bills	Bank Bills	Fine trade Bills
Overnight	—	[illegible]	[illegible]	—	—	—	[illegible]	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13-13½ per cent.; five years 13½-13¾ per cent. ♦ Bank bill rates in table are buying rate for prime paper. Buying rates for four-month bank bills [illegible] per cent.; four-month trade bills [illegible] per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.; one-month trade bills [illegible] per cent.; two-month [illegible] per cent.; and also three-month [illegible] per cent.

Finance House Base Rates (published by the Finance Houses Association) 10 per cent. from June 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 6-7 per cent. Clearing Bank Base Rate for lending 10½-11 per cent. Treasury Bill average tender rate of discount [illegible] per cent.

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%
American Express Bank	10½%
Anglo-Portuguese Bank	11 %
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	12 %
Bank of Cyprus	11 %
Bank of N.S.W.	10½%
Banque du Rhone S.A.	11½%
Barclays Bank	10½%
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	11 %
Canada Permanent AFI	11 %
Cayzer Bowater Co. Ltd.	11 %
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11 %
Consolidated Credits	11 %
Co-operative Bank	*10½%
Corinthian Securities	11 %
Credit Lyonnais	10½%
G. R. Dawes	11½%
Duboff Brothers	11 %
Duncan Lawrie	10½%
English Transcont.	11 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	10 %
Greyhound Guaranty	11 %
Grindlays Bank	†10½%
■ Guinness Mahon	10½%
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†10½%
Julian S. Hodge	11½%
Hongkong & Shanghai	10½%
Industrial Bank of Scot.	10½%
Keyser Ullmann	11 %
Knowsley & Co. Ltd.	12½%
Lloyds Bank	10½%
London & European	11 %
London Mercantile	11½%
Midland Bank	10½%
■ Samuel Montagu	10½%
■ Morgan Grenfell	10½%
National Westminster	11 %
Northern Comm. Trust	11 %
Norwich General Trust	11 %
Portman Guaranty	9½%
P. S. Refson & Co.	10½%
Rossminster Accept'cs	11 %
Schlesinger Limited	11 %
E. S. Schwab	12 %
Security Trust Co. Ltd.	12 %
Shenley Trust	12½%
Standard Chartered	10½%
Trade Development Bk.	10½%
Twentieth Century Bk.	12½%
United Bank of Kuwait	10½%
Whiteaway Laidlaw	11½%
Williams & Glyn's	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼% and over £25,000 7¾%.
§ Demand deposits 6½%.
‡ Call deposits over £1,000 6½%.

CORAL INDEX
Close 370-375

INSURANCE BASE RATES

† Atlantic Assurance ... 10½%
† Address shown under Insurance and Property Bond Table.

AUTHORISED UNIT TRUSTS

Bishopsgate Progressive Mgmt. Co.♥

Bishopsgate, E.C.2. 01-588 6280

B'gate Pr June 8	123.1	131.2	.....	3.92
Acc Uts.† June 8	239.2	248.2	.....	3.92
B'gate Int.† June 1	128.3	138.0	.....	2.96
Accm.Uts.† June 1	135.7	146.0	.....	2.96

Next sub day †June 15. *June 22.

Framlington Unit Mgt. Ltd.♥

5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	57.4	61.2	+1.0	5.03
Income Tst.	55.2	59.0	+1.0	7.43

Friend's Provdt. Unit Tr. Mgrs.♥

Pixham End, Dorking. 4896 5055

Friends Prov. Uts.	28.9	30.9	-0.5	5.07
Do. Accum	34.7	37.1	-0.6	5.07

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.

30, Gresham Street, EC2. 01-606 4555

Cnv.Bd June 9	$US6.60	-0.04	—
EnergyInt. June 9	$US13.32	+0.06	—
Gr.St.$Fd.May 26	$US7.10	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.

1 Charing Cross, St. Helier, Jsy, CI. 0534 29041

CMF Ltd. May 27	$US9.81	10.07	.....	—
CMT Ltd. May 27	£9.31	9.55	.....	—
Metals Tst. May 20	£12.49	12.80	.....	—
TMT May 13	$US11.23	11.49	.....	—
TMT Ltd. May 13	£11.66	11.96	.....	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

Wrld.Wide Gth Fn	$US12.48	-0.03	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Single premium insurance bonds.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
Albany Inv. 20p	12	.....	Higsons Brew	93	.....	Conv. 9% '80/82	£86	+1/4
Ash Spinning	34	.....	I.O.M. Stm. £1	133	.....	Alliance Gas	65	.....
Bertam	23	.....	Holt (Jos.) 25p	239	.....	Arnott	225	.....
Bdg'wtr. Est. 50p	135	.....	Kleen-e-Ze	20	-1	Carroll (P.J.)	110	.....
Clover Croft	30	.....	Lovell's Ship £1	100	.....	Clondalkin	46	+1
Craig & Rose £1	350xd	+15	N'thn. Goldsmith	87	.....	Concrete Prods.	95	.....
Dyson (R.A.)	18	.....	P.M.A.	46	.....	Heiton (Hldgs.)	25	-2
Ellis & McHdy	69	.....	Pearce (C.H.)	80	.....	Ind. News	46	.....
Evans Fr'k. 10p	23	.....	Peel Mills	14	.....	Ins. Corp.	160	.....
Evered	12	.....	RobbCaledon5k	30	.....	Irish Distillers	52	-2
Fife Forge	45	.....	Sayers 12½p	14	.....	Irish Ropes	92xd	.....
Finlay Pkg. 5p	16½	.....	Sheffield Brick	86	.....	Jacob	62	+1
Frost & Reed 50p	152	.....	Shell Refrshm.	140	.....	Sunbeam	12	.....
Graig Ship £1	315	-7	Shiloh Spinn.	28	.....	T.M.G.	92½xd	.....
Hallam Sleigh 10p	8	.....	Sindall (Wm.)	50	.....	Unidare	70	.....

FOOD PRICE MOVEMENTS

	June 10 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	910	910	960
British A.1 per ton†	880	880	920
Irish Special per ton†	870	870	910
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton§	870	870	910
BUTTER (packet)			
NZ per 20 lbs†	9.20- 9.26	9.20- 9.26	9.20- 9.26
English per cwt†	51.83	51.83	51.83
Danish salted per cwt†	53.30-55.38	53.83-55.83	53.39-54.83
CHEESE§			
English cheddar rindless per tonne	950.79	950.79	—
NZ per tonne	872.5	872.5	872.5
EGGS*			
Home-prod. Standard	2.70- 2.90	—	3.00- 3.20
Large	3.00- 3.40	—	3.30- 3.60
	June 10 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scottish killed sides (ex KKCF)	42.0—46.0	40.5—44.0	40.0—43.0
Eire forequarters	30.0—32.0	30.0—31.0	28.0—30.0
Argentine chilled rumps	—	—	—
LAMB			
English	40.0—44.0	44.0—48.0	40.0—44.0
NZ PLs-PMs	37.0—40.0	36.5—40.0	36.0—39.5
PORK (all weights)	27.5—37.0	28.0—37.3	26.0—38.5
MUTTON			
English ewes	18.0—22.0	18.0—22.0	14.0—20.0
POULTRY			
Broiler chickens	25.0—27.0	26.0—27.0	24.0—27.0

* London Egg Exchange price per 120 eggs. † Delivered. § For delivery June 12-19.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude Inv. $ premium

AMERICANS

S.E. List Premium 48¾% (based on $1.7708 per £)

Conversion factor 0.6755 (0.6700)

CANADIANS

1976 High	1976 low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
13⅓	10⅞	Bk. Montreal $2	12½xr	+⅛	$1.00	—	4.5
35⅝	29⅛	Bk. Nova Scot. $2	34¼	+¼	$1.60	—	2.7
42⅞	33¼	Bell Canada 25c	40	–⅛	$3.44	—	4.9
23⅝	12	Bow Valley‖	20⅛	+⅛	10c	—	0.3
990p	860p	Brascan‖	910p	+40	s$1.00	—	6.2
29⅝	19⅞	Can. Imp. Bk. $2	22⅛	–⅛	$1.28	—	3.3
15½	10⅞	Can. Pacific $5	15	+¼	84½c	—	3.2
29⅝	26½	Do. 4pc Deb £100	28¼xd	......	4%	—	14.1
37⅞	21⅝	Gulf Oil Can.‖	26½xd	+¼	$1.00	—	2.2
670p	500p	Hawker Sid. Can.‖	500p	......	36c	—	4.1
31¼	22	Hollinger $5	30¾	+1	$1.80	—	3.2
18	12⅞	Hudson's Bay ‖	16¾	......	60c	—	2.0
34⅝	26⅛	Hud. B. Oil G. $2½	31½	+⅝	$1.40	—	2.5
22¼	17	Imperial Oil‖	19⅝	+1	80c	—	2.3
31¼	19½	Inco	27¼	+¼	$1.40	—	2.9
820p	660p	Int. Nat. Gas $1	755p	+5	80c	—	6.0
24¼	16	Massey Ferg.‖	23¼	+¼	$1.00	—	2.4
27⅝	20¼	Pacific Pet. $1	26½	+¼	80c	—	1.7
37p	24p	Place Gas $1	34pxd	+1	—	—	—
29⅝	22⅞	Rio Algom	27⅝xd	+⅞	$1.00	—	2.0
25⅛	20⅛	Royal Bk. Can. $2	23½	+⅛	$1.28	—	3.1
25¾	20⅛	Seagram Co. C$1	21½	+⅛	80c	—	2.1
16⅞	13⅛	Tor. Dom. Bk. $1	15½	......	70c	—	2.6
11	830	Trans. Can. Pipe 33½c.	10⅛	+¼	88c	—	19.2
790p	680p	White Pass	735pxd	......	†35c	—	2.7

S.E. List Premium 48¾% (based on $1.7340 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
710	350	Blyvoor 25	600	+30	‡Q100c	1.3	‡
£14	785	Buffels R1	£10¾	+½	Q125c	ϕ	7.0
198	95	Deelkraal R0.20	148	−2	—	—	—
760	330	Doornfontein R1	510	+60	Q55c	ϕ	6.5
965	640	East Drie R1	880	+35	Q75c	1.7	5.1
280	160	Elandsrand Gld 20c	240	+20	—	—	
190	112	Elsburg R1	136	+4	‡Q338c	1.0	14.7
£18½	£11¼	Hartebeest R1	£15¾	−¼	Q190c	ϕ	7.4
695	420	Kloof Gold R1	585	−40	Q47c	ϕ	4.8
760	400	Libanon R1	515	+25	Q80c	ϕ	9.5
740	335	Southvaal 50c	645	+45	Q8c	1.3	0.7
245	140	Stilfontein 50c	215	−15	‡Q36c	2.2	‡
£20½	£10¼	Vaal Reefs 50c	£17¼	−1	Q175c	2.1	5.8
420	175	Venterspost R1	235	−15	‡Q70c	1.9	‡
£35	£19¾	W. Drie R1	£27	+1½	Q335c	ϕ	7.5
315	165	Western Areas R1	215	−10	‡Q52c	1.4	‡
£15¼	790	Western Deep R2	£11½	−⅝	Q147½c	1.6	4.0
290	190	Zandpan R1	275	+25	Q31½c	ϕ	6.9

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
170	75	Free State Dev. 50c	115	+10	Q14c	1.6	7.2
£22½	£12	F. S. Geduld 50c	£15¼	+1	‡Q330c	1.3	‡
200	57	F. S. Saaiplaas R1	180	+15	26c	ϕ	2.0
465	295	Harmony 50c	440	+20	Q65c	ϕ	8.8
195	70	Loraine R1	138	+8	Q6c	0.5	2.6
£18½	950	Pres. Brand 50c	£14¾	−½	‡Q250c	1.3	‡
£13	700	Pres. Steyn 50c	900	+30	‡Q125c	2.2	‡
£23	£12	St. Helena R1	£16½	+½	‡Q250c	1.2	‡
174	86	Unisel	133	+7	—	—	—
330	220	Welkom 50c	290	+20	‡Q55c	1.7	‡
£25½	£14	W. Holdings 50c	£20¼	−1	‡Q475c	1.2	‡

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
530	315	Ang. Am. Coal 50c	520	+30	NQ38c	2.8	4.3
375	225	Ang. Amer. 10c	320	+15	Q23c	1.9	6.1
£28¾	£17¾	Ang. Am. Gold R1	£23¾	−¾	Q260c	ϕ	6.5
£13	850	Ang.-Vaal 50c	£13	−⅛	†Q95c	3.7	2.4
199	118	Charter Cons.	169	+4	6.76	ϕ	6.3
220	146	Cons. Gold Fields	182	+6	£7.57	4.3	6.2
23½	15	East Rand Con. 10p	17	......	1.0	ϕ	9.0
330	185	Geduld Inv. R1	270	......	Q40c	1.5	6.8
£25	£15½	Gen. Mining R2	£19¾	+¾	Q210c	2.1	6.5
£22½	£14½	Gold Fields S.A. 25c	£19	+¼	Q225c	1.5	7.0
£24	£11½	Jo'burg Cons. R2	£18½	−1	Q165c	2.5	5.3
380	200	Middle Wit 25c	350	−10	†Q23c	2.0	4.7
240	168	Minorco SBD1.40	212	+4	‡Q14c	—	‡
160	85	New Wit 50c	122	+7	Q20c	1.6	9.7
£12¾	770	Patino NV Fls 5	£11⅝	+½	QC40c	10.5	1.1
610	480	Rand Selection 50c	590	......	‡Q75c	1.5	‡
543	449	Selection Trust	490	......	£15.2	2.0	4.8
230	135	Sentrust 10c	220	+5	Q30c	ϕ	8.4
66	45	Silvermines 2½p	58	......	£4.0	1.6	
175	95	SW Africa 20p	175	......	†17.87	2.0	15.7
£12½	700	Tvaal Cons. Ld. R1	£10½xd	......	Q65c	2.0	3.9
310	170	U.C. Invest R1	220	+5	Q36c	1.0	9.7
465	245	Union Corpn. 6.25c	320	+15	Q42c	1.4	7.6
90	45	Vogels 2½c	78	......	Q6½c	1.2	4.9

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£24¼	+¾	Q244c	1.6	6.1
122	68	Bishopsgate Pt. 10c	112	+2	Q6.5c	ϕ	3.5
335	198	De Beers Df. 5c	239	−11	Q28c	2.2	6.9
£14	850	Do. 40pc Pf. R5	£10xd	......	Q200c	ϕ	11.8
128	69	Lydenburg 12½c	117	+1	†Q2.9c	1.5	1.5
207	108	Pot. Plats 2½pc	179	+3	†Q5c	1.0	1.7
169	90	Union Plat. 10c	169	+3	†Q2.96c	1.0	1.8
176	88	Waterval 5c	176	+3	†Q5.3c	1.0	1.7

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
165	70	Coronation 25c	95	+10	†Q34c	2.1	‡
127	85	Falcon Rh. 50c	100	+2	†Q35c	1.3	—
19	11	Rhod'n Corp. 16⅔p	12	......	0.56	6.0	7.2
195	135	Roan Cons. K4	175	......	‡Q16.0	4.7	‡
175	142	Tanganyika 50p	146	......	‡Q26	1.2	‡
68	65	Do. Pref. 80p	65	......	Q9	18.0	11.6
48	25	Wankie Col. Rh 1	32	+2	†Q6½c	1.3	10.0
46	24	Zam. Cpr. SBD0.24	37	+5	QU54c	3.2	5.6

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
26	18	Acmex 25c	22	......	—	—	—
215	132	A. M. and S. 50c	207	+3	Q7c	ϕ	2.2
156	96	Bougainville 50c	144	+1	Q10c	ϕ	4.5
203	145	Bd. South 50c	185	+2	—	—	—
75	30	G.M. Kalgoorlie $1	40	......	—	—	—
82	53	Hampton Areas 5p	72	+2	1.18	4.2	2.5
69	38	Metals Ex. 50c	69	+1	—	—	—
20	13	Metramar 20c	16	+1	—	—	—
294	200	M.I.M. Hldgs. 50c	266	−3	‡Q10c	1.8	‡
105	70	Mount Lyell 25c	85	......	‡Q5c	2.4	‡
2½	2	Newmetal 10c	2	......	—	—	—
182	138	North B. Hill $1	170	−1	Q9c	1.4	3.4
9	5	Nth. Kalgurli	5	......	—	—	—
96	65	Oakbridge $A1	96	+5	tQ8c	1.3	5.4
35	14	Pacific Copper 25c	28	+2	—	—	—
£19½	725	Pancont'l 25c	£11⅛	−¼	—	—	—
16	9	Paringa M&Ex. 5p	12	......	—	—	—
615	430	Peko-Wallsend 50c	560	+15	Q15c	ϕ	1.7
250	140	Poseidon 20c	235	−10	—	—	—
13	9	Vulhan Min. 50c	10	......	—	—	—
9	4	Westmex 10c	7	......	—	—	—
180	127	Westn. Mining 50c	178	+1	‡Q6.9c	0.8	‡
54	36	Whim Creek 20c	44	+2	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
45	28	Amal. Nigeria	37	+2	5.62	1.6	25.4
260	160	Ayer Hitam	255	+5	†13.0	1.6	7.8
30½	17	Beralt Tin	27	......	1.75	ϕ	10.0
405	315	Berjuntai SM$1	400	+5	‡QSM2	ϕ	‡
18	13	Ex Lands 10p	15	......	15	3.8	15.4
240	155	Geevor	230	+5	‡12	2.3	‡
14	10	Gold & Base 12½p	10	......	—	—	—
230	170	Gopeng Cons.	215	+10	‡11.0	1.3	‡
78	64	Hongkong	78	......	—	—	—
70	56	Idris 10p	67	......	7.15	ϕ	16.4
7½	6	Jantar 12½p	7½	......	—	—	—
42	31	Kamunting 15p	40	+2	‡7.0	1.2	‡
245	135	Killinghall	245	+5	Q50.0	ϕ	20.4
175	147	London Tin 20p	172	+2	7.47	ϕ	6.7
228	168	Malay Dredging	213	+1	10.7	2.0	7.7
38	20	‡Pahang	28	+1	‡Qb2.6	ϕ	14.3
55	40	Pengkalen 10p	45	......	‡7.0	1.5	‡
123	104	Petaling SM1	117	......	—	—	—
43	19	Saint Piran	36	......	—	—	—
100	64	South Kinta 10p	78	......	‡9.5	1.5	‡
193	105	Sthn. Malayan	175	+3	10.7	0.9	9.4
45	31	Sungei Besi 20p	42	+7	—	—	—
37	29	Sungei Way SM1	34	+1	2Q10	—	5.1
48	40	Tanjong 15p	45xd	......	4.0	0.9	15.9
52	40	Tongkah Hrbr. SM1	43	......	‡Q23¾	0.6	‡
102	56	Tronoh	202	+7	4.29	2.0	6.5

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
85	42	Botswana RST P2	60	......	—	—	—
335	170	Messina R0.50	280xd	+10	†Q35c	1.9	7.4

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
39½	23	Charterhall 5p	28	+½	—	—	—
965	580	Cons. Murch. 10c	880	+30	†Q80c	1.8	5.5
55	28	Lonrasia	40	−3	—	—	—
455	245	Northgate C$1	340	......	Q25c	0.3	3.8
239	176	R.T.Z.	221	+3	5.42	2.1	3.5
112	84	Sabina Inds. C$1	85	+1	—	—	—
£14¼	£10	Tara Explu. $1	£14½	+⅛	—	—	—
132	84	Yukon Cons. C$1	129	......	—	—	—

RUBBERS AND SISALS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
53	36	Anglo-Indonesi'n	50	......	2.5	2.4	7.7
41	35	Bertam Cons. 10p	41	......	1.51	1.2	5.7
6½	6	Bird (Africa)	6½	......	—	—	—
71	61	Bradwall 10p	68xd	......	2.21	ϕ	5.0
92	70	Castlefield 10p	90	......	2.06	3.2	3.5
28	24	Chersonese 10p	27	......	1.13	1.4	6.7
69	54	Cons. Plants 10p	65½	+½	†5.0	0.8	6.9
37	30	Gadek Malay 10p	35	......	—	—	—
63½	45½	Golden Hope 10p	62½	......	†1.97	3.5	4.8
6½	6	Grand Central 10p	6½	......	d0.5	1.7	12.8
205	155	Guthrie £1	170	−18	6.5	ϕ	6.0
49	35	Highlands M50c	44	......	‡1.45	1.1	‡
46	36½	Kuala Kepong M$1	39½	......	†Q10c	1.2	4.4
34	22½	Kulim 50c	29	......	†1.36	1.6	7.2
61½	40½	Ldn. Asiatic 10p	56	......	2.3	ϕ	6.3
39½	30	Ldn. Sumatra	39½	......	1.1	1.6	4.3
40	31	Malakoff M$1	35	......	—	—	—
7½	6	Malayalam 10p	7½	......	20.7	ϕ	14.9
52½	42	Muar River 10p	52	......	1.41	1.7	4.2
61	39	Patalling 10p	55	......	2.23	1.5	6.2
38	29½	Plantation Hldgs. 10p	35½xd	......	1.77	ϕ	7.7
£10½	900	Sungei Krian £1	£10	......	32.31	1.7	5.0

TEAS

India and Bangladesh

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
114	90	Assam Doears £1	112	......	7.74	5.6	10.6
119	90	Assam Frontier £1	110	......	7.15	4.2	9.3
51	46	Assam Invs. £1	50	......	t3.3	5.3	10.8
150	95	British Indian £1	150	......	5.0	2.0	5.1
270	85	Cessnock £1	85	......	—	ϕ	—
360	85	Cons. Tea & Land £1	85	......	ϕ4.87	b4.3	8.8
6	3¾	Empire Plants 10p	4¾	......	0.65	4.1	21.1
150	113	Jokai £1	125	......	7.15	4.6	8.8
82	65	Longbourne £1	80	......	3.5	6.5	6.7
164	125	McLeod Russell £1	160	+5	5.87	b3.1	5.6
103	97	Moran £1	100	......	†5.76	6.1	8.9
7½	6	Singlo Hldgs. 10p	7	......	0.78	2.1	17.1
420	300	Teith Hldgs. £1	105	......	ϕ2.03	b8.4	3.0
98	74	Warren Plants £1	97	+1	6.75	ϕ	11.2
33	66	Williamson £1	80	......	4.5	5.6	8.7

Sri Lanka

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
10	7½	Central Province	9	......	0.94	4.7	17.0
52	28	Clairmace 10p	46	+2	6.0	ϕ	20.1
58	44	Lunuva £1	53	......	2.95	0.7	9.1
6	4	Tea Corporation	6	......	0.55	5.4	14.0

Africa

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
48	33	Bandanga Hldgs.	38	−1	g3.17	2.4	13.4
190	170	Blantyre £1	188	......	15.27	ϕ	13.6
48	28	Peacock Sacini 10p	47	+1	ϕ2.74	ϕ	9.0
46	36½	Ruo Estates	42	+1	3.95	2.8	14.1

MINES

CENTRAL RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
600	309	Durban Deep R1	560	+10	Q20c	5.5	2.1
510	240	East Rand Prp. R1	350	+30	Q35c	5.1	6.8
27	10	Rand Leases 2½c	23	+1	—	—	—
£22½	935	Randfont'n Est. R2	£22¼	+¼	ZQ100c	—	2.6
350	75	West Rand R1	310	+30	Q10c	2.2	1.9

EASTERN RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
200	128	Bracken R1	155	+9	‡Q52c	1.0	‡
40	14	East Daggs R1	27	+1	—	—	—
—	—	Govnmt. Areas 5c	140#	......	—	—	—
128	71	Grootvlei 30c	125	......	Q20c	1.5	9.5
530	260	Kinross R1	390	+30	‡Q54c	1.4	‡
67	40	Leslie 70c	60	+6	‡Q18c	1.4	‡
230	95	Marievale 70c	160	+20	Q42c	1.4	15.5
255	70	S. African Ld. 35c	235	+10	Q30c	2.0	7.6
105	42	Vlakfontein R1	92	+6	‡Q30c	1.2	‡
385	490	Winkelhaak R0	620	−30	‡Q113c	1.1	‡
50	23	Wit. Nigel 25c	48	+3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ϕ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- § Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES
Friday June 11 1976

HOW OIL AND GAS WILL HELP BALANCE OF PAYMENTS

N. Sea energy can save U.K. £4.5bn.

BY RAY DAFTER, ENERGY CORRESPONDENT

NEW North Sea oil and gas supplies should be making a positive contribution of £4.58bn. towards Britain's balance of payments in 1980, according to a report published yesterday. The positive benefit this year is expected to be £1.36bn.

The figures take account of the development of U.K. oil fields and gas from the Anglo-Norwegian Frigg Field. They exclude the value of gas from fields in the southern sector of the North Sea which, according to the Department of Energy, is contributing a balance of payments benefit of over £1bn. when set against replaced oil imports.

The total cumulative contribution of the new fields to the U.K. economy between 1975 and 1980 should be nearly £15bn., according to stockbrokers Wood, Mackenzie. The benefits should build up rapidly as more oilfields come on stream. At the same time, the amount of overseas equipment imported for offshore development work should diminish over the next few years.

It is envisaged that the overseas suppliers' share should shrink from around 50 per cent. last year to 30 per cent. in 1980. Coincidentally, however, the capital expenditure programme for the proven and probable fields is likely to shrink over the next few years, from around £2.1bn. this year to £870m. in 1980.

Wood, Mackenzie estimates that the value of new North Sea oil and gas supplies will rise

Sullom Voe terminal deal P.7 Shell and Esso moves on BNOC participation agreement and British Gas rejects energy gap forecast Page 8

from £45.6m. last year to £863.5m. this year and £6.97bn. in 1980.

Figures reported to be circulating in the Treasury, however, are said to suggest that North Sea oil production (excluding gas) should be worth about £5.7bn. in 1980. A radio broadcast yesterday claimed that the report containing these figures also indicated that by 1985 North Sea oil production could be worth £14.12bn. ($25bn.).

This latter figure, which might be included in a Treasury report next month, has been greeted with some scepticism in the oil and financial centres. Latest Department of Energy estimates suggest that oil production should be between 100m. and 150m. tonnes a year throughout the 1980s.

At current prices this should work out at a value of between £4.97bn. ($8.8bn.) and £7.46bn. ($13.2bn.).

The Treasury would not comment on the report of their estimates. It is known that the Treasury and the Energy Department have been working on forecasts of oil revenue up to 1985. These are expected to be published in the Treasury's monthly economic progress report. This document should specify the various considerations used in the calculations: for example, the value of oil, changes in the exchange rate and impact of North Sea oil on import savings.

A Department of Energy official would not comment on the report, other than to reiterate the departmental view that the Government expects to earn between £3bn. and £3.5bn. a year from North Sea oil taxation and royalties in the early 1980s.

Export credit restraint deal brings EEC dispute

BY DAVID CURRY

BRUSSELS, June 10.

THE AGREEMENT of the U.S., Japan and individual EEC countries to implement an agreement on export credit restraint by means of unilateral declarations rather than by formal treaty brings to a head the sharp dispute inside the EEC between the Brussels Commission and some member States over who is responsible for export credit negotiations.

It is possible that the Commission could decide to take the member States involved to the European Court for breach of the common commercial policy of the Treaty of Rome. Yesterday, the American Ex-Im Bank announced new credit guidelines to apply to its exporters. The British Export Credits Guarantee Department has said it intends to make its own statement of guidelines and this will be followed by French, Italian, German and Japanese declarations.

The series of declarations will implement the much-debated gentlemen's agreement on export credit restraint. In practical terms, the agreement is worth little because it represents minimal real tightening of conditions.

The dispute inside the EEC concerns the methods by which the agreement has been implemented. Originally, the intention was to sign an agreement setting out guidelines, but discussions to this end broke down in May, 1975, when the French, and to a lesser extent the Japanese, declined to accept the American compromise draft.

However, the Rambouillet meeting of major industrial countries in Paris in November produced a renewed commitment to try to arrive at export credit limitation. The problem was that in the meantime the European Court of Justice in Luxembourg, in the course of a judgment dealing with the financing of local costs, had stated categorically that export credit matters fell within the scope of the Common Commercial Policy and hence within Commission's competence.

This meant that any formal agreement between the big exporting countries signed by national governments would, according to this ruling, be counter to the Treaty of Rome. The Brussels Commission, at the end of the year, asked the Council of EEC Ministers to approve a draft negotiating document which would allow it to proceed to negotiate the gentlemens' agreement.

It was to by-pass the question of competence that the governments concerned transformed the agreement into a "consensus" with the Americans.

Failure

The Commission has tried over the past months to introduce a sufficient element of "common marketisation" into the deal to bring it within the Treaty of Rome. In particular, it said it would settle for an implementation of the agreement by a Council of Ministers decision, putting the affair at least nominally within an EEC framework and abandoning the claim to negotiate the agreement itself.

These attempts failed, largely because of French objections. French determination not to admit Commision competence appears to have derived from several factors. In the first place, export credits were about the only area remaining, before the court judgment, within national scope in the trade field, and hence provided a little bit of national leverage in the form of subsidised credits.

Secondly, the French wished to preserve flexibility in export credits in the face of an expected balance of payments deficit.

Finally, Paris was well aware that the Commission had set its face strongly against cost escalation insurance such as provided by Britain, France and Italy (though virtually non-operative in Italy's case now), and was reluctant to increase its vulnerability to Brussels attack on this front. In fact, as recently as early May the Commission produced proposals to phase out cost escalation schemes by the end of 1978.

The Commission has not yet decided whether to make the issue one of principle and take the question to Luxembourg but, in view of the specific nature of the earlier court decision, it is hard to see how it can tamely accept the situation.

Its attitude may well be influenced by the reaction of smaller EEC States, whose annoyance at being excluded from the Rambouillet meeting, within which framework the agreement was worked out, has turned to sharp anger over their continued exclusion from the Puerto Rico summit scheduled for later this month.

It is understood that member States other than France were not inclined to make an issue of Community competence, but felt that the priority was to get an agreement which included France even if this meant treading doubtful constitutional ground.

Editorial comment Page 20

Peace troops enter Beirut

BY IHSAN HIJAZI

BEIRUT, June 10.

LIBYAN AND Sudanese troops, the first contingents of the multinational joint force proposed by the Arab League to police a ceasefire in the Lebanon, arrived here this evening.

About 100 Sudanese soldiers arrived at Beirut Airport. Earlier the first batch of Libyans—about the same in number it is believed—came by road from Damascus, apparently having arrived there on Wednesday night.

The appearance of the troops confirmed that Syria had agreed to make its mediation in Lebanon, which had brought it into confrontation with the mainstream of the Palestinian guerilla movement and the left-wing factions here, a pan-Arab responsibility.

The joint force decided upon by the Arab League meeting in Cairo that ended in the small hours of this morning is to be made up of contingents from Syria, Libya, Algeria, Sudan, Saudi Arabia and the Palestine Liberation Organisation.

Following the announcement from Cairo, an uneasy and undeclared ceasefire came into effect here, halting the conflict between the Syrian Army and the alliance of the Lebanese Left and the Palestinians. But the pan-Arab intervention is not welcomed by the right-wing Christian extremists, because it has brought to an end the Syrian initiative which they supported.

President Franjieh, the Lebanon's titular Head of State who has not renounced his office in spite of the election of a successor, last night sent a cable to Mr. Mahmoud Riad, the secretary-general of the Arab League. In it he said that he would "confront by national and international means" any Arab League move taken in the "absence" of the Lebanon—which was not represented at the Cairo meeting.

Richard Johns writes: Having succumbed to the necessity for at least a partial "Arabisation" of the mediation effort, Syria is now coming under pressure from Iraq. Baghdad Radio announced that Iraqi Army units were on the move "to take their positions in the Arab arena in order to perform their national duty." The retort from Damascus—in the words of an official spokesman—was that it would take "urgent and appropriate measures."

It appeared that Iraq was trying both to raise the tension and assert its claim to be represented in the joint peace-keeping force. Syria insisted that troops from Iraq and Egypt should not be included because of its bad relations with them.

Although it has conceded the principle and actual entry of a joint Arab force, Syria has not committed itself to withdrawing the bulk of its troops from the Lebanon. This was demanded at the Cairo meeting by Mr. Yassir Arafat, chairman of the PLO, who called for an immediate pull-back of the Syrian Army away from the positions threatening Beirut, Tripoli and Sidon to the Bekaa Valley and, then, out of the country altogether.

THE LEX COLUMN

Commodities boos[t] Tate & Lyle

Tate and Lyle's profits transformation of the past three years shows no signs of slipping: for the first half of 1975-76 there has been a pre-tax rise of a tenth to £26.8m. with a further advance expected. The main increase has been from the commodity handling and storage divisions with a £5.7m. rise to £19.4m. pre-interest, which is more than it earned in the whole of 1973-74. Sugar trading activities were particularly active, and while last year's losses of several million pounds in the Paris sugar market were absent this has been more or less offset by continued sugar stock losses in Nigeria. Elsewhere, profits from raw sugar output and shipping were down by a total of just over £5m., though a £2m. drop in central expenses (including finance charges) reflects both the rights issue and a drop in working capital resulting from lower sugar and other commodity prices.

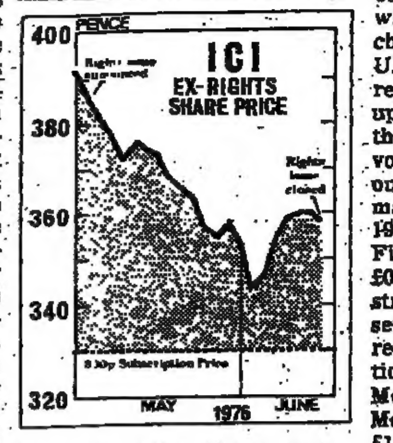
In the current half, shipping profits should rise because of higher freight activity and the U.K. sugar refining contribution is likely to be higher than in the first six months following the negotiation of new supply agreements. Moreover commodity handling should at least maintain its profits as there are now noticeable signs of an upturn in the U.S.—about one third of this side's business. Consequently, the group should be heading for approaching £55m. pre-tax for the year, against £47.5m., and a prospective p/e of 5¼ at 251p. The shares have eased back relatively against the All-Share Index in the past six months after their previous strength, and while they might appear to merit some re-rating the market still retains certain doubts about the group's ability to sustain profits from commodity handling.

See also Page 25

600 Group

With the market nervously talking about a large rights issue on the way it was in no mood to digest a small one, and a one-for-four exercise by the 600 Group raising just over £5m. pushed the shares down as much as 9 per cent. Stripping out the dividend, the underwriters are now only protected by a discount of 11 per cent. Fortunately the group, after a dull year to March in which pre-

Index fell 5.0 to 374.2



tax profits fell a fifth to £8.1m. is expecting to produce a strong recovery this time. The key area is the iron and steel division—scrap and stockholding—where conditions were badly depressed all year, and pre-tax profits were £3m. lower at £2.5m. Since March, however, scrap prices have been climbing fast and the stockholding side should now get a boost from rising demand and the round of steel price increases. Elsewhere the machine tools division may hope to see margins revive—last year profits were scarcely higher at £3.9m. on a turnover rise of a third—and the engineering side, where the reorganised crane operations are proving a growth point, is set to move further ahead after its £0.6m. pre-tax advance to £1.7m. for 1975-76.

Ironically the 600 Group is raising new capital at a time when its balance-sheet shows £6m. of cash, and a £5m. drop in overall debt over the year. Clearly, however, the group will be nervous about working capital—absorbing £17.3m. in the previous year, this was unchanged in 1975-76 but can now be expected to start climbing again. The group aims, too, to increase capital spending from £3.2m. to over £5m. this year. And it will also want some financial elbow-room.

See also Page 23

Pegler-Hattersley

Pegler-Hattersley is £5m. ahead at £14.3m. before tax, £3m. of the upturn came in the second half and the chances are that 1976-77 will see further profits growth—despite Pegler's own somewhat flat view of prospects. Sales last year rose a fifth which implies flat dem[and] in real terms. But the ... has experienced volume ... of up to one-third in ... with demand from the ... chemical industry outside ... U.K. (and price con...) responsible for the bulk of ... upturn. Plumbers' fittings ... third of sales overall—too[k] volume declines but by cut[ting] out its worst areas Pegler managed useful profits ag[ainst] 1974-75's very weak ret[urn]. Finally, the associates ... £0.9m. ahead at £4.1m. ha[ve] strongly reversed their int[erim] setback; South Africa recovered while the contr[ibu]tion from 49 per cent. ... McEvoy is sharply hig[her]. McEvoy's annual sales rose ... £12m. to about £20m. last ye[ar].

The current year apparently started so[lid] enough but Pegler is pla[ying] down prospects at this sta[ge]. U.K. orders are still very p... and petrochemical demand ... valves has turned less buo[yant] in the last month or so. ... the shares rose 8p against ... market yesterday to 160p w[ith] a 6¼ per cent. yield is cov[ered] four times by earnings ... average capital. The bala[nce] sheet contains net cash.

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Guthrie

Guthrie slipped close ... tenth to 170p yesterday des[pite] the forecast of earnings gro[wth] for 1976. In Europe ... U.K. carpets were £3m. in [the] red—losses this year could [be] contained to £1m. while ... Pacific operations are ... moving ahead strongly des[pite] a slowing colour TV boom [in] Australia. North America ... have a full year of the ... acquisition and could ... £5m., against £2.3m. in 1975, a[nd] international trading is go[ing] well. Thus all the major gue... work focuses on the plantatio[ns] where the rubber price ... practically doubled in ... months; and on tax costs w... last year's 77 per cent. cha[rge] including roughly £1m. for ... groupable losses and a sim[ilar] figure for unrelieved ... Guthrie could emerge this ... with profits of between £1... and £17m. above the ... against £8.1m. Meanwhile ... 1975 yield of 6 per cent. sta[nds] to rise by four points if ... dividend is restored.

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European shipbuilders set up committee on over-capacity

BY FAY GJESTER

OSLO, June 10.

IN AN EFFORT to produce a concerted policy on over-capacity, Europe's shipbuilders have agreed to set up a special committee that will liaise with national associations as well as international shipbuilding bodies.

The committee was formed at the three-day general meeting of the Association of West European Shipbuilders, which ended here to-day. The organisation represents the shipbuilding industries of 12 countries and the new committee will have one member from each.

One development which has pleased the association during its deliberations this week has been the promise of co-operation from the Japanese.

The association met the Japanese in both Tokyo and San Francisco last year and hopes a further meeting will take place in September.

Mr. Per Anker Nilsen (Norway), the association's retiring chairman, said the appointment of the committee was "the most important thing we have done here."

Members were increasingly aware of the need to strengthen co-operation with shipbuilders in other parts of the world—particularly the Japanese—in view of the threatening situation created by the steep fall in ship orders.

Co-operation would chiefly take the form of exchanging up-to-date information on orders, prices and cost levels, he said.

The new committee, which would work under the associations standing committee, would also seek to increase co-operation with the many international meetings where the industry's problems were discussed, such as the EEC, Working Party No. 6 of the OECD, and the International Maritime Industry Forum, formed last year on the initiative of Intertanko (the International Association of Independent Tanker Owners).

The shipbuilding industry, the tanker industry, oil companies and bankers are all represented in the forum whose aim is to shorten the present crisis.

Asked if the gap between Japanese and European shipbuilding industry costs was narrowing, Mr. Anker Nilsen said the reverse was true, because Japan's inflation had recently been less than Europe's.

Contracts

Building prices in Europe were about 30 per cent. higher than those in Japan—and the Japanese prices were "realistic, not dumping prices."

On his last visit to Tokyo, he had been told that Japanese shipyard wages averaged about two-thirds of Europe's. In Korea the gap was even bigger. The same sources had told him that wage costs in Korea were one-sixth of the Japanese levels.

He cited statistics prepared by London shipbrokers which indicated that world contracts in 1976 were likely to reach only about 8m. gross tonnes. "This is only half of what was ordered from the world's yards last year and only a quarter of what was delivered."

Mr. Rocco Basilico (Italy), who was elected chairman for the coming year, expressed pessimism about the outlook for West Europe's shipyards.

Weather

U.K. TO-DAY

DRY, with bright intervals in central and south-eastern areas. Cloudy, some rain in Wales, S.W. England, N. Ireland, Scotland and N. England.

London, S.E. and Cent. S. England, E. Anglia, Channel Is.
Mostly dry; bright intervals. Warm. Max. 21C (70F).

Midlands, E. and Cent. N. England
Mostly dry, some bright intervals. Warm. Max. 20C (68F).

S.W. England, S. Wales
Rather cloudy, some rain or drizzle. Hill and coastal fog. Max. 17C (63F).

N. Ireland, N. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow
Rather cloudy; outbreaks of rain or drizzle. Max. 16C (61F).

Borders, Edinburgh, Dundee, N.E. England
Rather cloudy; some rain or drizzle, perhaps heavier later. Warm. Max. 19C (66F).

Aberdeen, Moray Firth, Highlands
Bright intervals and showers. Max. 16C (61F).

N.E. Scotland, Orkney, Shetland
Bright intervals, showers. Max. 13C (55F).

Argyll, N.W. Scotland
Bright at first, becoming cloudy with some rain. Max. 16C (61F).

Outlook: Rain or showers; mostly dry in S.E. Warm.

Lighting-up: London 21.46, Manchester 22.07, Glasgow 22.32, Belfast 22.29.

Pollen count: 238 (very high).

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	S	18	64	Manchstr.	F	18	64
Athens	C	24	75	Melbourne	C	14	57
Barcelona	S	24	75	Mexico C.	S	20	68
Belfast	F	14	57	Milan	S	28	82
Belgrade	S	20	68	Montreal	S	27	81
Berlin	S	19	66	Moscow	C	8	46
Birmghm.	F	17	63	Munich	F	20	68
Bristol	F	18	64	Nassau	C	28	82
Brussels	S	21	70	New York	H	35	95
Budapest	S	21	70	Oslo	S	20	68
B. Aires	S	9	48	Paris	C	20	68
Cairo	S	40	104	Perth	S	20	68
Cardiff	F	17	63	Prague	S	20	68
Cologne	F	21	70	Reykjavik	R	7	45
Copnhagn.	S	18	64	Rio de J'o	S	27	81
Dublin	F	16	61	Rome	S	25	77
Edinburgh	F	17	63	Singapore	S	28	82
Frankfurt	F	22	72	Stockholm	C	18	64
Geneva	S	25	77	Strasb'rg	S	25	77
Glasgow	F	14	57	Sydney	C	17	63
Helsinki	F	15	59	Tehran	S	31	88
Hong Kong	R	22	72	Tel Aviv	S	24	75
Jo'burg	S	21	70	Tokyo	C	28	82
Lisbon	S	28	82	Toronto	S	29	84
London	S	19	66	Vienna	S	20	68
Luxembrg.	S	24	75	Warsaw	F	17	63
Madrid	S	26	79	Zurich	F	23	73

HOLIDAY RESORTS

Ajaccio	S	23	73	Istanbul	F	15	59
Biarritz	F	21	70	Jersey	C	19	66
Blackpool	S	17	63	Las Plms.	S	21	70
Bordeaux	R	18	64	Locarno	F	26	79
Cape Town	C	16	61	Majorca	S	26	79
Corfu	S	26	79	Malaga	S	24	75
Dubrovnik	F	23	73	Malta	S	25	77
Faro	S	28	82	Nairobi	S	20	68
Florence	S	24	75	Naples	F	21	70
Gibraltar	S	22	72	Nicosia	S	24	75
Guernsey	F	16	61	Oporto	S	23	73
Innsbruck	T	20	68	Rhodes	S	25	77
Isle of Man	S	14	57	Salzburg	S	24	75

S—Sunny H—Hazy F—Fair C—Cloudy R—Rain T—Thunderstorm.

Lockheed's 24 banks agree on rescue

BY JAY PALMER

NEW YORK, June 10.

LOCKHEED AIRCRAFT and its 24 lending banks have reached a preliminary "understanding" over the basic terms of a new financial restructuring plan designed to keep the huge U.S. aerospace company and defence contractor out of bankruptcy.

In essence, the new scheme, which is still subject to final modification by the banks and must still be approved by both shareholders and the U.S. government, is aimed at indirectly bolstering the company's order books by increasing potential customers' confidence that bankruptcy can and will be averted.

Lockheed's financial outlook, never very strong since the Rolls-Royce collapse hit its TriStar programme, took a dramatic turn for the worse last year when the company revealed that it had been paying overseas bribes.

At a time when the commercial side was weak anyway, the bribe revelations and worries that the company might not survive caused both the Japanese and Canadian governments to cancel planned aircraft purchases.

The new financial restructuring plan replaces the remaining two phases of an original scheme first outlined early last year after the collapse of the proposed Textron merger. It amends the company's 1971 credit agreement, covering $400m. in non-government guaranteed bank borrowings and the government guarantee of up to $250m. in bank loans.

One of the key elements in the scheme involves an almost immediate exchange of $50m. of non-guaranteed bank debt into a new series of preferred equity. At the same time, the remaining $350m. of such debt will be converted from being 90-day revolving credit into a new 1981 loan. Lockheed said that it would not increase its government guaranteed borrowings, but noted that these will not be cancelled before expiry at the end of 1977.

The new five-year term loan of $350m. will incur interest of 4 per cent. until December, 1976, prime rate plus 1 per cent. to the end of 1977 and prime rate plus 1¼ per cent. for the remainder of the period.

£220m. 'saving' on public borrowing

BY ANTHONY HARRIS

THE PUBLIC SECTOR borrowing requirement in 1975-76 was £220m. less than the estimate published at the time of the Budget, according to the latest figures from the Central Statistical Office.

While these figures are also subject to revision, the fact that the borrowing requirement appears to have been overestimated slightly was regarded in the City yesterday as an encouraging sign that public finances are being run on a tighter rein.

In the previous year the final accounting showed that the borrowing requirement was £310m. more than the estimated outturn published with the 1975 Budget.

The change is almost entirely due to reduced estimates of borrowing by local authorities and public corporations from non-Government sources.

Both groups reduced their external borrowing sharply below trend in the first quarter of 1976, while the Budget estimates appear to have allowed for borrowings nearer to the quarterly average.

The total borrowing requirement in the quarter was £1.567bn., bringing the total for the financial year to £10.55bn., compared with a Budget estimate of £10.77bn.

On a seasonally adjusted basis, the public sector borrowing requirement fell again, to almost exactly the same level as a year earlier—the third successive quarterly reduction in the total.

Continued from Page 1

OECD

of industrial raw materials is expected to slow in the coming 12 months, provided there is no spectacular increase in precautionary buying and harvests are normal in temperate zone countries. Nevertheless, the inflation rate is likely to move up one point to 8 per cent. in the next 12 months in the overall OECD area.

The continuing recovery could raise the current account balance of payments deficit of the OECD countries to around $20bn. in the coming 12 months, against $5bn. last year. The current surplus of the oil-producing countries could rise by around $10bn. to reach nearly $50bn.

The increasing OECD deficit should help to reduce the deficit of the non-oil-producing developing countries. Given their rising export revenues, these countries should as a whole be able to avoid cutting the volume of their imports, even if they reduce their net borrowing.

David Curry in Brussels, writes: A vote of confidence in the Government's economic policy in the short term, but sharp fears that Britain's budgetary deficit may be financed by inflationary money-creating, are expressed in the Brussels Commission's six monthly economic review.

The review is prepared by financial experts and does not include policy guidelines. However, the policy guidelines which the Commission will set out next month will draw heavily on the assumptions contained in the paper. These point clearly towards the need for more stringent controls on the growth in public expenditure though they carefully avoid suggesting immediate expenditure cuts.

In particular, the review is worried about the effects on money supply of a situation when the government is having to finance the public sector borrowing requirement in the face of an economic upswing marked by a greater demand for funds from companies and probably a fall in personal savings.

It notes that the high level of personal savings and the weak corporate demand for finance enabled the government to finance the supply and foresees a possible conflict between the needs of public and private sector financing during a period of sustained economic recovery.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.